

Money vs Mission

Do we have to choose when it comes to heritage?

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Abstract

With public funding falling and greater focus being placed on economic sustainability, income generation is becoming more of a priority for many heritage organisations. However, there appears to be a wariness of consumer-focused activity within the UK heritage sector; many professionals perceiving it to be contrary to their mission of safeguarding the Nation's heritage. This Masters Report provides evidence to counter that view.

The Report examines three case studies — *Ickworth Hotel*, *Kelmscott Manor online retail* and the *National Army Museum children's birthday parties* — using face-to-face interviews and documentary research to explore how these commercial activities were developed, and are being managed, to ensure they support the organisation's missions. Challenges have been identified alongside achievements, yet the evidence is clear that not only are these commercial activities delivering much needed income, but they are also directly assisting with the fulfilment of the organisational missions.

Key Words

Heritage; Commercialisation; Income generation; Mission; UK

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Introduction

Dr David R. Prince once said, “everything is sustainable as long as someone is prepared to pay for it” (Prince, 2006). However, when applying this theory to the heritage sector, many argue that who that ‘someone’ is and how they provide their financial support, has significant implications for heritage organisations and the assets under their care.

This concern has led to a general wariness of consumer-led commercial entrepreneurship within the heritage sector; a fear that, by being market-driven, heritage organisations will be hindered in accomplishing their ultimate responsibility — to collect, conserve, research, interpret and exhibit society’s material culture (Tufts et al, 1999; ICOM, 1986; Weil, 1990).

A simple illustration of this is the diagram below, where ‘private goods’ refer to those that appeal to a consumer market and ‘public goods’ are the aspects of a heritage organisation’s work that are for the benefit of society and therefore experience ‘market failure’ (Peacock, 2000). The fear mentioned above, is that if too much effort is centred on the top half of the triangle, not enough resources are available to support the lower half, making it impossible for an institution to fulfil the full complement of its mission.

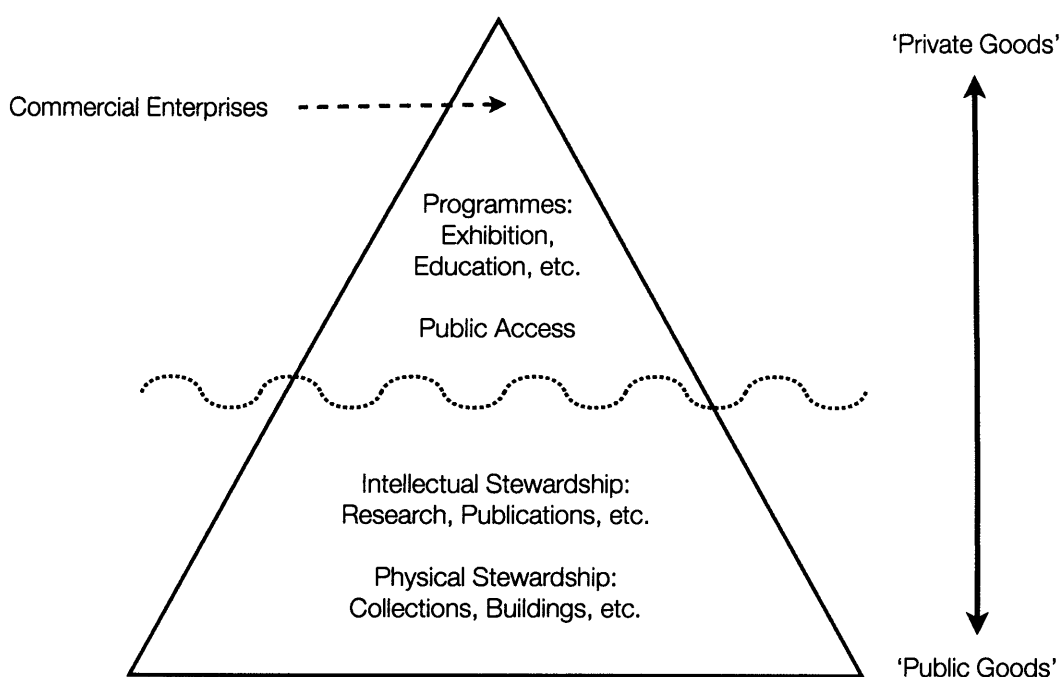


Figure 1: 'Understanding how it works' (von Wistinghausen, 2008)

This report contends that this fear is unfounded and that, with the right vision, planning and management, not only can the line between 'public goods' and 'private goods' become blurred, but commercial enterprises can contribute to furthering the 'public' aspects of an organisation's mission.

With this in mind, the goal of this study is to test this hypothesis by investigating whether it is possible for heritage organisations to deliver their mission from activities that also generate income, and identify the processes required for their successful execution.

Definitions

For clarity, the following definitions are used:

Mission: a statement, often made public, that identifies an organisation's unique and enduring purpose which is both rooted in the present and lasting for some indefinite period (Bart et al, 1998)

In this instance it is important to distinguish between the 'mission', which determines the essence of an organisation's existence, and concepts such as 'strategy' or 'vision', which involve objectives to be met by the organisation in a determinable time period.

Core Activities: the key work of an organisation either as identified by their mission or necessary to fulfil the responsibilities identified in their mission.

For most established organisations, this refers to ongoing operational activity, as opposed to capital projects.

Structure

The report is structured as follows:

- An examination of recent thinking on the commercialisation of heritage based on a review of published materials
- The research approach, supported by established methodological opinion, including:
 - ▶ An explanation of the selection of the case studies
 - ▶ An outline of the research methods, why they were chosen and how they were used
- The findings of the research expressed as three separate case studies, following the same format for ease of comparison
- A discussion of the commonalities between the case studies, including:
 - ▶ Limitations and recommendations for further research
 - ▶ Conclusion
- Bibliography
- Appendices: interview transcripts

Recent Thinking on the Commercialisation of Heritage

The premise for this study emerged from a literature review looking at material relating to the economics of the heritage industry and attitudes towards income generation. This process identified a lacuna that this study hopes to begin to fill, and has guided the research focus and defined the research questions.

In the main, academic and profession-led writing and analysis of the heritage sector tends to cover issues of social and environmental sustainability more than economic matters. Recent years have seen swathes of work in the fields of conservation (Cassar, 2006; English Heritage, 2008; National Trust, 1999), values (Carter, 2002; Low, 2002), and audience engagement (PLB, 2001), with fewer studies exploring the areas of income generation and commercial activity.

Moreover, when heritage economics is addressed it tends to pertain to the well established income-generating activities in the heritage sector — on-site retail, catering, private hire, admission, membership and licensing — all of which are mature businesses and therefore offer little scope for new development or analysis (von Wistinghausen, 2008; Cameron, 2007; Leask et al, 2002).

The vast majority of heritage economics research falls into three categories:

1) Research into how to protect the values of heritage from the detriment of commercial endeavours. For example, examining the impact of functions on historic buildings (Ingram, 2002) or protecting heritage from copyright infringement (La Voi, 2003; Pantalony, 2007). A large part of this research concentrates on the problems associated with visitation, as many of the established heritage businesses rely on increasing visitor numbers to elevate profits (Fyall et al, 1998).

2) Research into the economic valuation of heritage — how to overcome the 'market failure' of culture; posing ways to assess the economic value of heritage assets when it has no consumer-associated monetary value in a free market (Mourato et al, 2002; Throsby, 2002; Frey et al, 2003).

3) Research into the positive impact of cultural heritage on the wider economy (Travers, 2006), cultural tourism (Silberberg, 1995; Hall et al, 2002; Prideaux, 1999), and regeneration programmes (Stevenson et al, 2007). Not surprisingly, the leaders in this area are The National Museum Directors' Conference, The Museums, Libraries and Archives Council and Arts Council England, three bodies almost wholly reliant on central government financial support.

While these are all valid and useful areas of research, none of them directly examine the ways by which income can be generated by heritage organisations to support their own core activities or the management of these income-generating activities.

What is common to all the above approaches is a wariness of consumer-led commercial enterprise within the heritage sector and an assumption that there is a distinction between any income

generating activity and the true remit of the heritage organisations; a necessary evil that has to be 'balanced' with undertaking core activities of the mission (Durey, 2001; Frey et al, 2003; Frey et al, 2001). This has extended to the sector leadership such as the Museums' Association and ICOMOS, whose guidelines regarding commercial activity tend to focus on mitigating the negative impact as opposed to celebrating the potential (MA, 2007; ICOMOS, 1993).

It would not be accurate to say, however, that all literature on museum economics sees commercialisation as negative. There are a small number of papers that acknowledge that the heritage sector is changing in response to diminishing public funding sources, and becoming more consumer-led. Interestingly, none of these appears to be emerging from the UK — the majority are from Canada, Australia and New Zealand (Tufts et al, 1999; Massey et al, 2003; Prideaux et al, 1999; Cameron, 2007).

The only two major research projects regarding income generation in the UK looked solely at national museums, one by the National Audit Office, 2004, and another by the Museum and Galleries Commission, 1999 (AEA Consulting). Almost a decade later, the author of the latter, von Wistinghausen, offers a counter argument to the negative connotations of commercial enterprise in the UK heritage sector: the 'mantra "mission reigns supreme"' (2008). In his eyes 'selling the mission' is what keeps culture in business in the long-term, although, contrary to this study, he links this theory to his belief that the future of heritage income generation lies in the expanding philanthropy and sponsorships arenas. He is not alone, the recent launch of the 'Private Giving for the Public Good' campaign by the National Museum Directors' Conference, the Museums, Libraries and Archive Council and Arts Council England, shows the sector leaders are also of this mindset (2008). However, this report asserts that fundraising is not a solution for all heritage organisations, and can only form part of a sustainable strategy for income generation.

With this in mind, this study seeks to test whether von Wistinghausen's 'mantra' can also be applied to commercial enterprise. Through in-depth investigations into non-established business areas in England, it is hoped that this report will begin to fill the lacuna in academic research in this area.

The research questions have therefore been set as:

- Is it possible to undertake commercial activity that contributes to the fulfilment of an organisational mission?
- What should be considered when selecting an activity to ensure that it supports the mission?
- What management processes and policies are required to ensure that it continues to support the mission?

Research Methodology

A case study approach was selected to test the hypothesis, as this is arguably the most effective way to examine contemporary situations within their real-life contexts (Soy, 1997; Yin, 1984). The method of research adopted follows Susan K. Soy's six steps that she developed, drawing on the work of Robert K. Yin, Robert E. Stake and Helen Simons. These are:

1. Determine and define the research questions
2. Select the cases and determine data gathering and analysis techniques
3. Prepare to collect the data
4. Collect data in the field
5. Evaluate and analyse the data
6. Prepare the report.

Selection of Case Studies

Three enterprises were selected as case studies on the basis that they all generate income through activities that are closely related to their mission, yet fall outside the traditional business areas for heritage mentioned above.

The cases are:

1. **Ickworth Hotel, Ickworth House, Suffolk**

A National Trust property, comprising historic house set in 2000 acres, where, since 2002, one wing of the house has operated as a hotel under a lease agreement. The rest of the house and estate is open to the public.

2. **Children's Birthday Parties, National Army Museum, London**

A national museum covering the impact that the British Army has had on the character of Britain, Europe and the world which, in 2006, began offering its public children's gallery as a private hire venue for children's birthday parties.

3. **Online Retail, Kelmscott Manor, Gloucestershire**

A historic estate with strong ties to William Morris which, in 2002, expanded its on-site retail offer to include on-line sales.

Similarities and Differences

All three cases are run by not-for-profit organisations with clear missions encompassing the conservation of heritage assets and enabling public access. They have all undertaken the commercial activity as a means by which to reduce their financial support from a parent body — National Trust, Ministry of Defence, Society of Antiquaries of London — with the understanding that greater financial independence will lead to greater autonomy. All three re-invest the profits from the commercial activities into their operational budgets to finance their core activities.

These similarities provide a baseline for the research, allowing the cases to be compared and contrasted justly.

At the same time the cases have clear differences, providing the opportunity to make observations that apply across a range of different types of commercial activity and heritage assets. It is intended that the differences — type of heritage asset (movable, built and intangible), location (urban, rural and virtual) and size (both in terms of visitor numbers and annual turnover) — reflects the range of heritage organisations in the United Kingdom, enabling any observed common principles to be generalised to apply across the sector.

Research Methods

The study was conducted over a period of 3 months during the summer of 2008. The primary research methods were face-to-face interviews and documentary research.

Interviews

The interview was used as a method of qualitative research as it is a way to 'understand experiences and reconstruct events in which you did not participate' (Rubin et al, 1995) and 'investigate, in critical ways, our respondents' comprehensions of their experiences and beliefs' (Dilley, 2004).

Interviews were conducted with senior representatives of each institution who had direct responsibility for the establishment of the commercial activity in question, and, for one of the studies, the consultant involved in the establishment of the project.

The purpose of the interviews was to develop an understanding of the following:

Background

- General information on the organisation and site including the mission and core activities as understood in the mind of a senior employee.
- Identification of sources of financial support, aside from the commercial enterprise, and approximate costs of core activities.

Development Process

- Explanation of why the commercial activity was developed and the objective from the point of view of the organisation.
- Detail on any restrictions on what could be done, both externally, such as Listing or Charitable Status, and self-imposed by either the parent body or the local organisation.
- An overview of the process by which the activity and its management structure were selected, including identification of risks and opportunities.

Management

- Description of any management plans and/or policies that were developed to govern the day-to-day running of the operation and how they are enforced.
- Explanation of how the profits from the activity are allocated and what percentage of the operational costs of the core activities is covered by the profits.
- Identification of any costs to the organisation in undertaking the commercial activity.

With Hindsight

- Whether there have been any changes since opening and if yes, why these occurred.
- Whether, if given the opportunity, the interviewee would have done anything differently.
- If the organisation have made any subsequent changes to the rest of their offer in light of their experiences.

Documents

The content of the interviews was then contrasted and validated through analysis of documentary evidence including:

- Organisation mission statement or equivalent
- Development plans and business plans for the sites and/or commercial activities
- Policies and management plans covering both core and commercial activities
- Contractual agreements and memoranda of understanding between heritage organisations and commercial partners
- Information on management structures and legal status of commercial bodies
- 3 years' accounts and annual reports, where available
- Visitor figures, where applicable.

Findings

The following section outlines the findings of the research. The three case studies are presented individually, yet in the same format to ease comparison: Mission of the Organisation; Background; Development of the Commercial Activity; and Does it contribute to the fulfilment of the Mission?

Case Study 1: The Ickworth Hotel

Ickworth House and Gardens, Suffolk, is a historic property of 2000 acres owned by the National Trust (NT). In 2002, the East Wing of the House was converted into a hotel; a commercial enterprise that not only provides rental income to support the running of the Estate, but also assists the Trust in achieving its mission.

The Mission of the National Trust

The purpose of the Trust as stated in the National Trust Act 1907 is,

'the permanent preservation for the benefit of the nation of lands and tenements (including buildings) of beauty or historic interest and as regards lands for the preservation (as far as practicable) of their natural aspect features and animal and plant life'.

In 1937, this was extended to include 'access to and enjoyment of such buildings places and chattels by the public'. (NT, 2005)

Over the years this purpose has evolved into the simple mission statement, "forever, for everyone". (NT, 2007)

'Forever' refers to the Trust's core mission of the conservation of natural and built heritage, which, as a result of current thinking, has been extended to cover issues of sustainable development, renewable energies and the environment.

At the same time, as the NT is completely independent of Government, deriving its income from membership fees, donations, legacies, and revenue generated by commercial operations and tenancies on its properties, intrinsic to the 'forever' is a steadfast belief in economic sustainability. (Hunt, 2006)

'For everyone' refers to the Trust's responsibility to ensure public benefits, through efforts to increase access, widen audiences, and developing learning and engagement initiatives.

The mission can be distilled into four themes:

- Heritage Conservation
- Environmental Conservation
- Economic Sustainability
- Public access

Background

Ickworth House is a Grade I Listed building built by the 4th Earl of Bristol in 1795. Set in a Grade II* Listed landscape, the entrance to Ickworth is dominated by the central Rotunda, used for entertaining guests. The family lived in the East Wing; the West Wing was added for architectural symmetry — merely a shell with no interior structure.



Illustration 1: The Rotunda and East Wing of Ickworth House (National Trust)

Ickworth House passed to the NT in 1956 in lieu of inheritance duties, with the understanding that the family could continue to rent accommodation in the East Wing. In 1996, the 7th Marquess of Bristol chose to vacate the property, surrendering the residue of the lease, leaving the Wing with no immediately discernible purpose. Furthermore, due to years of considerable neglect, the cost of refurbishing the Wing for public use was substantial, even before financing its upkeep and operation (PRC, 1998).

This provided the NT with an opportunity to develop the East Wing, but also a potentially high risk and costly liability, if no sustainable use could be found for the building.

At this time, the Ickworth Estate attracted c.90,000 visitors a year, generating its income from admission (either directly from non-members or via subsidies from the national body for members), small cafe, small traditional NT shop, tenant farmers and vineyard. However, the Estate operated at a loss, requiring support from the national body to make up the shortfall each year (Carver, 2008).

Development of the commercial activity

Faced with the predicament of what to do with the East Wing, and the potential for utilising the 'empty' West Wing, the NT appointed Prince Research Consultants (PRC) to produce a development plan for the Estate.

PRC began work by developing a conceptual model, with the NT's mission as its foundation, offering a means by which third party use of the East Wing would provide financial support to the Trust, freeing them to develop the West Wing into improved visitor services (PRC, 1998).



Illustration 2: The East Wing of Ickworth House (National Trust)

In order to identify a suitable function for the East Wing, PRC undertook an options appraisal. Approximately 40 options were considered, ranging from a new headquarters for the NT Regional Office, to time-share apartments, even a religious establishment. Working closely with the NT, PRC determined that the use must be in keeping with the 'spirit of the place', allow public access, and be self-financing or profit making, while not substantially altering the historic fabric or infringing on the Estate's interpretation. Most importantly, it must offer a long-term financial solution to the Trust at Ickworth.

With these constraints in mind, PRC analysed the options based on three criteria:

1. Level of risk to the Trust
2. Financial viability of the proposed use
3. Likelihood of attracting third party commercial interest.

The analysis demonstrated to the Trust that the most advantageous function was a hotel. The hotel option would require minimal alteration to the Wing, while ensuring public accessibility and providing annual revenue income to the Trust. It was also synergistic with other commercial activities — by attracting visitors or serving produce from the tenant farmers — posing opportunities for inter-estate trading. Furthermore, by bringing in an established successful hotel operator, risk would be transferred from the Trust to the operator.

PRC then undertook further research, including: an estate wide conservation plan; archaeological survey; and history of the East Wing. These were used to identify risks, constraints and opportunities to ensure that the commercial endeavour would not detrimentally impact on the significances and values of the site. For example, the access road to the hotel follows a complicated 's' curve to avoid a significant stand of trees and the remains of a medieval mill mound, an archaeological feature that came to light as a result of English Heritage's Archaeological Survey in 1999 (PRC, 2000).

*Illustration 3:
The route (blue) of the
access road to the hotel
avoiding remains of
medieval mill (red) and the
stand of trees (English
Heritage Sites and
Monuments Record,
Multimap)*

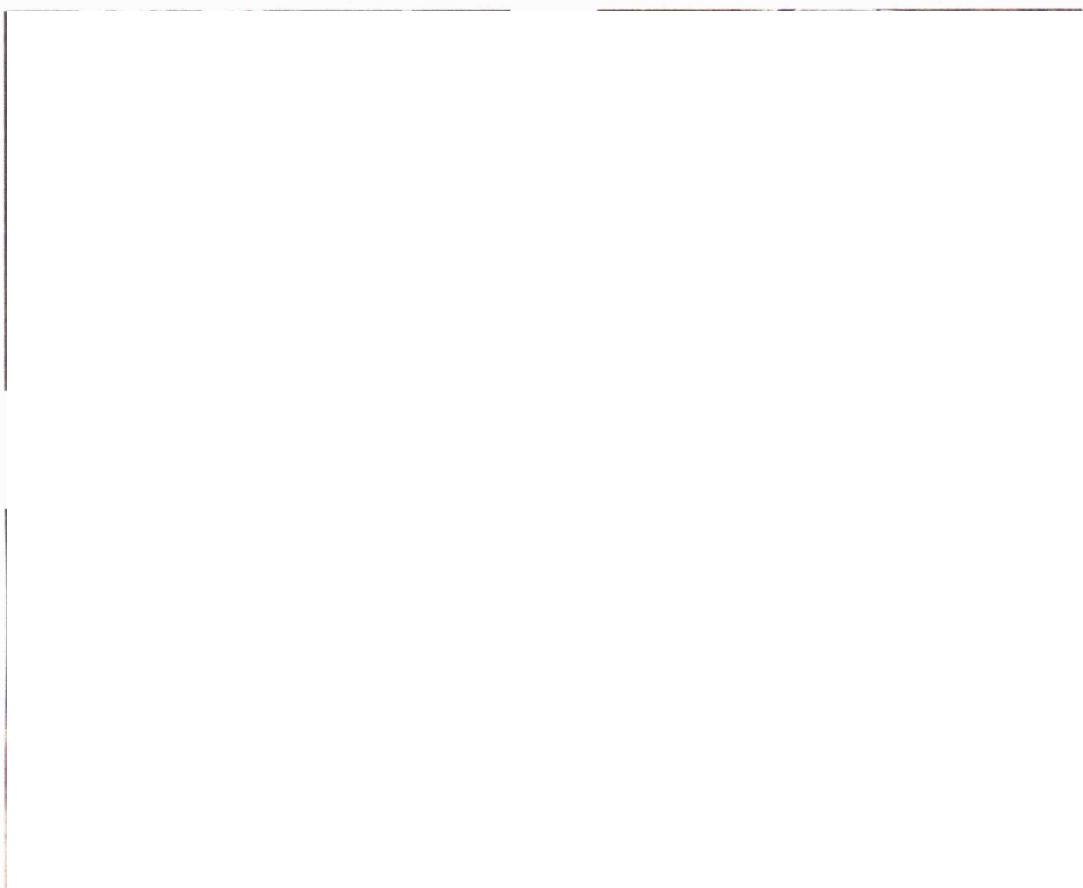
PRC also produced a hotel feasibility study, identifying ways of mitigating risk while ensuring maximum income. The study included a number of guiding principles, such as the recommendation that the hotel be four-star quality — suiting the character of Ickworth and in keeping with expectations of a country house hotel; posing the least risk to the operator as it represents a better price/value relationship to the guest; and shown to fare best in an economic recession, ensuring sustainability of the business and therefore greater security to the Trust (PRC, 1998).

The research was accompanied by extensive stakeholder consultation. For instance, discussions with the local Planning department, English Heritage, English Nature, the Fire Brigade and NT specialist advisors produced a set of design guidelines that would preserve the integrity of the assets, while complying with fire safety regulations for hotel accommodation (Prince, 2008). Similarly, Ickworth's volunteers were actively engaged with the developments, as without their support and commitment the Estate could not operate (Carver, 2008).

Following a tendering process and Due Diligence exercise, Luxury Family Hotels (LFH) was selected as the Trust's commercial partner.

In addition to compliance with the guiding principles, LFH offered a number of additional benefits. First, unlike the larger hotel chains, they did not wish to install air conditioning, nor did they require all of the bedrooms to be of similar size, both highly problematic to the conservation of the building. Second, their market, families with young children, complemented the target audiences of the NT at Ickworth. Third, LFH offered to oversee the refurbishment of the East Wing into a hotel, including providing the capital, c.£5.5 million, further transferring risk away from the NT (Carver, 2008).

The lease and Memorandum of Understanding drawn up between LFH and the NT was designed to protect the interests of the property and the NT. It included a list of guidelines to inform the refurbishment, such as: insertions should be reversible, noted historic features must be preserved, and the NT Architectural Panel had to approve all plans prior to seeking statutory consent (PRC, 1999). The result is a testament to what can be done sympathetically and respectfully to a Grade 1 Listed property. The only major external development, the swimming pool, was nested into an existing historic walled service yard; invisible from the outside, the integrity of the historic exterior upheld.



Illustrations 4, 5, 6 & 7: The swimming pool inserted within an existing historic walled service area — (clockwise) before, during and after construction (PRC, National Trust)

This is not to say it was merely a list of restrictions to protect the asset, for it was also in the NT's interest to see that the hotel was successful, both in terms of income and to secure long term tenancy. Therefore, while the lease stipulated that the rental payments be based on a percentage of annual turnover, not profit, ensuring a guaranteed income to the NT, this percentage was calculated on a decreasing scale — the greater the annual turnover, the lower the percentage to the NT. Thus, both the NT and the operator had incentives to see the hotel succeed. (Prince, 2008)

The agreement also determined the processes by which to manage the relationship between the NT and LFH, including scheduled inspections and regular meetings. It was envisaged that the hotel management would collaborate with the NT management team to maximise the estate-wide commercial opportunities provided by the new developments (PRC, 1998).

Does this commercial activity contribute to the fulfilment of the mission of the National Trust?

A simple answer would be yes. Taking each aspect of the mission in turn, the evidence is laid out below.

In terms of heritage conservation, by simply providing a long-term use for the building that respects and reflects its original purpose, the hotel is actively preserving the historic fabric. The care applied to the Wing is considerable, as the expectations of the upkeep of a luxury hotel are far higher than that of many other functions, such as offices. Moreover, as the operator is responsible for the costs of the refurbishment and the ongoing maintenance of everything within a set curtilage for the 99 year period of the lease — in strict compliance with conservation regulations as set down by English Heritage, English Nature and the NT — the injection of financial investment into the physical state of the property by far exceeds anything that the NT could have provided.



Illustration 8: The Curtilage of the East Wing Hotel (National Trust)

Regarding environmental sustainability, the terms of the lease have ensured that the hotel greatly supports the Trust's eco-objectives. For example, the conservation restrictions required the hotel make the greatest use of the existing fabric, minimising levels of embodied energy in the project. Similarly, the prevention of the use of mechanical environmental control has ensured that the hotel uses the natural performance of building fabric and traditional methods to regulate the internal temperature, working to the strengths of the original design and further curbing the impact of the hotel on the environment.

The Trust's environmental mission is further met through the conditions in the lease that require the hotel to prioritise use of the Estate's produce. In this way the hotel restaurant benefits from the unique selling point of estate-produced organic meat, fruit, vegetables and wine, while the carbon footprint of food delivery is also curtailed. Furthermore, having a guaranteed sale to the hotel each year has strengthened the businesses of the Estate's agricultural tenants, not only facilitating greater self-investment, productivity and financial sustainability, but also securing their long-term rental income to the NT.

Similarly, by partnering with an established, successful, hotel operator and signing an incentivised 99-year lease, the NT has a guaranteed rental income from the hotel for the foreseeable future.

In this way, the commercial endeavour has not only saved the Trust millions in refurbishment and maintenance costs, but has also provided a long term secure income stream from both the hotel and the agricultural tenants, all of which has enabled the NT to achieve greater economic sustainability for the Estate. Since 2004, two years after the hotel opened, the Ickworth Estate has been operating at a profit (Carver, 2008).

In addition to the rental income, this profit must also be attributed to the increase in visitor numbers since the opening of the hotel. For not only is the hotel a publicly focused enterprise, therefore securing the Trust's mission of public accessibility — it is not necessary to be an overnight guest to visit the Wing; the restaurant, café, spa and meeting rooms are available for use by day visitors — but the family focused hotel has proved to be a draw in itself; attracting visitors to the Estate who are not traditional NT audiences. Thus, the commercial activity has expanded the visitor base, increasing and diversifying audiences to the Estate.

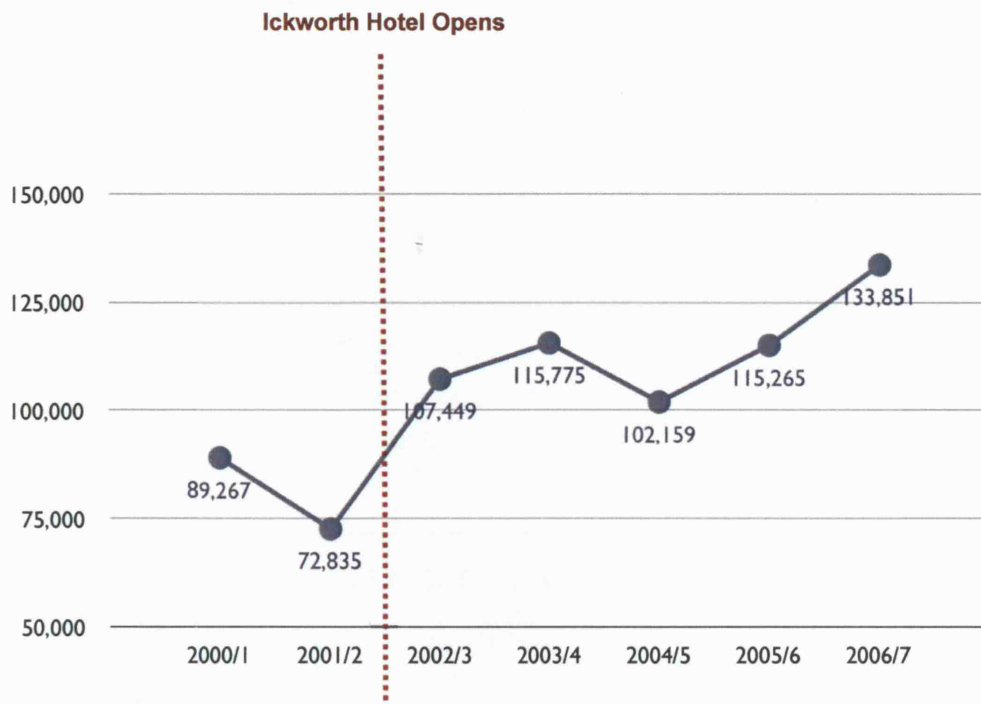


Figure 2: Day Visitors to the Ickworth Estate (National Trust, 2002, 2003, 2004, 2005, 2006) ¹

This is not to say that the project is flawless in delivering the NT's mission. There are challenges, the majority of which stem from the Trust not having sole control over the entire site, which restricts future uses and development. For example, there are tensions between the Trust and the Hotel over the NT's events programme, resulting in the Trust feeling the hotel 'impinges' on the ways in which they engage the public and interpret the Estate (Carver, 2008).

However, these tensions can be overcome through good communication and collaborative working, utilising the management measures set down in the lease, such as the regular meetings between the NT and the hotel operator.

Overall, it is clear that not only has the NT achieved its goal 'to give the East Wing a self-sustaining future, turning a liability into an asset' (Carver, 2008), but the hotel itself plays a significant role in the Estate's ability to deliver the mission.

¹ NB figures were affected by foot and mouth outbreaks in 2001 and building works in the West Wing in 2005 and do not include hotel guests who chose not to visit the rest of the Estate

Case Study 2: Kelmscott Manor Online Retail

Kelmscott Manor, Gloucestershire, is a historic property owned and managed by the Society of Antiquaries of London (SAL), a learned society with charitable status. The property operates under a charitable trading company, Lucerna Limited, allowing it to generate funds to support the upkeep of the site.

Initially focusing on the traditional heritage income streams of admission, catering, onsite retail and private hire, in 2002 the decision was made to expand to online sales, a commercial field which at the time was uncommon among heritage organisations. This innovative move not only provides income to support the operation of the manor, but also furthers the mission of the Society in a manner wholly in the spirit of William Morris.

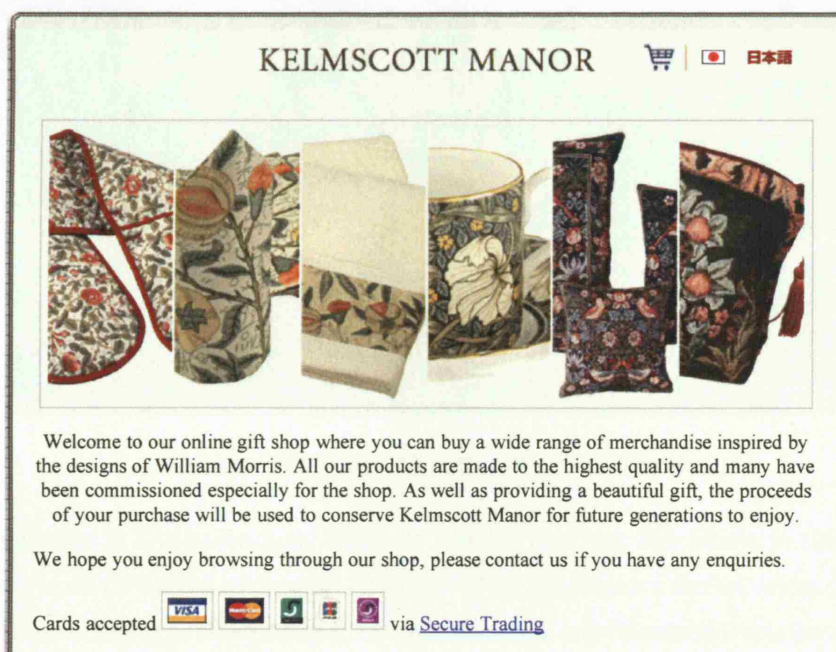


Illustration 9: Kelmscott Manor's online shop

The Mission of the Society of Antiquaries of London

The purpose of the Society, as laid down in its Royal Charter of 1751, is 'the encouragement, advancement and furtherance of the study and knowledge of the antiquities and history of this and other countries'.

As a registered charity, SAL's principal objectives are to foster public understanding of heritage, to support research and communicate the results, and to engage in the formulation of public policy on the care of our historic environment and cultural property.

A central aspect of SAL's work is to maintain and develop Kelmscott Manor as an exemplar of best practice in cultural resource management (SAL, 2006).

Background

Kelmscott Manor is a grade 1 Listed Tudor farmhouse, best known for being the country home of William Morris — poet, craftsman and socialist, Fellow of the Society of Antiquaries and leader of the English Arts and Crafts Movement — from 1871 until his death in 1896.



Illustration 10: Kelmscott Manor in 2007 (Patterson)

The house passed to SAL as residuary legatee of Morris's daughter, May Morris, in 1962. The Elizabethan house contains a remarkable collection of the possessions and art works of Morris and his associates, including furniture, textiles, carpets, ceramics and Kelmscott Press books (Gaimster, 2008).

Today the house has Registered Museum status and is open to the public. However, conservation concerns over the fragility of the house have necessitated visitor numbers to be limited to 14,000 a year (Gaimster, 2008). The property is only open in the summer months, April to September, and has reduced opening hours, with admission to the house operating on a timed ticket basis. Group visits are restricted to two days a week, Thursdays and Fridays. The general public is admitted to the whole property on Wednesdays and some Saturdays. The gardens are open on Thursday afternoons.

While SAL's Trustees retain legal responsibility for Kelmscott, a standing committee of SAL Fellows acts in an advisory capacity on issues of management, control, maintenance, preservation,

conservation, repair and upkeep of the grounds, buildings, contents and estate. Day-to-day the property is operated by two property managers, support staff and over eighty volunteers.

The property is supported financially via number of sources. Primarily, the Kelmscott Fund, which is an endowment providing income via interest on capital from previous donations and from the sale of properties on the estate; the balance of which was £99,551 in September 2006 (SAL, 2007). Kelmscott also receives rental income from cottages on the estate. In addition, the 82 volunteers contribute c.£35,000 worth of labour time in a season (SAL, 2007). However this financial support is insufficient in covering all of Kelmscott's operational expenditure, particularly in terms of meeting SAL's educational purpose as much of it is 'restricted' by the terms of Morris's daughter's will which stipulates that any income generated from the estate can only be spent on the conservation of historic buildings (Morgan Evans, 2008).

Development of the commercial activity

As Kelmscott and SAL both have charitable status, they are both susceptible to restrictions in income generation as laid down by the Charity Commission; for example, the £50,000 limit on non-primary purpose income. At the same time it was evident that there was great potential to supplement SAL's revenue with income from admission fees, retail and refreshment provision at Kelmscott (Morgan Evans, 2008).

It was therefore decided to create a separate trading company, Lucerna Limited, a company limited by guarantee with no share capital, incorporated in 1994 (SAL, 2008). The sole member of company is SAL. This is a common route adopted by museums and heritage organisations to deal with the issue of trading receipts. A trading company is designed to insulate the organisation from the activities of the trading company and protects its assets should such a company fail or become subject of a legal action against it. For example, SAL's liability in the event of the winding up of the company is limited to £10 (SAL, 2008).

The directors of the trading company are Fellows of SAL. None of them has any interests in the result or assets of the company, and receive no remuneration. Any profits generated are transferred via a Gift-Aid donation to SAL (SAL, 2008). This way the company is not liable to pay any tax on profits and SAL benefits from the income of 'unrestricted funds', which can be spent as desired on delivering its mission.

The original commercial activities at Kelmscott — admission, onsite retail and catering — were all wholly reliant on visitors to the site to generate income. While recent refurbishment has improved access, the property's vulnerability to its environment can affect public opening.

In 2007, heavy rainfall in July caused flooding, necessitating the early closure of the property. Kelmscott was only open for 16 of its 26-week season, losing half of its Saturday open-days, and

receiving only 6,165 visitors, significantly lower than the previous year's 12,333. As a result Lucerna Limited only generated £126,246, just over half as much as the year before, £228,505 (SAL, 2008).

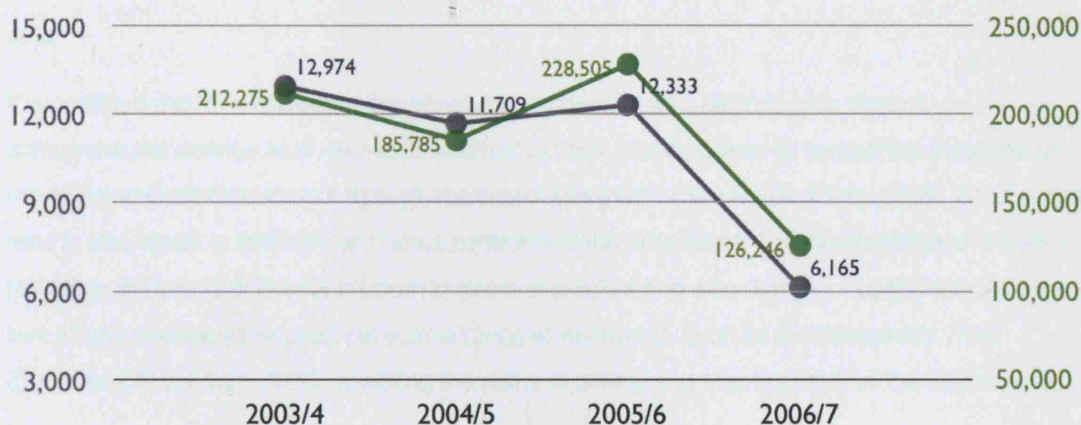


Figure 3: Kelmscott Visitors (blue) and Lucerna Ltd Annual Turnover (£s, Green) (SAL, 2006, 2007, 2008)

This was not the first time Lucerna Limited's turnover had been affected by reduced visitor numbers. The graph above shows clearly the direct relationship between visitors to Kelmscott and annual turnover. In 2004/5 the turnover also suffered a 12.4% decrease as a result of the shop being closed during building work (SAL, 2006).

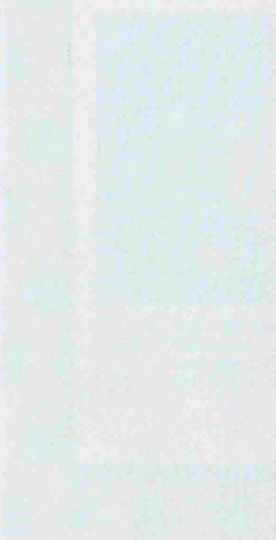
It was partly with this issue in mind that SAL opted to extend its retail online, thereby widening their scope for sales beyond the Kelmscott season and making the most of popular consumer periods such as Christmas.

Does this commercial activity contribute to the fulfilment of the mission of the Society of Antiquaries?

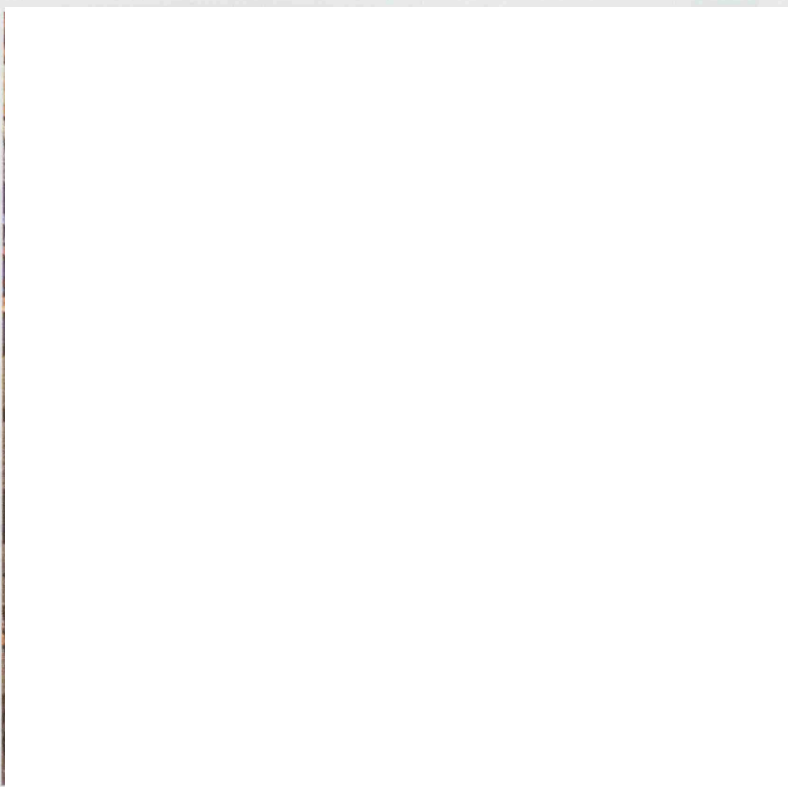
Eric Campbell Fernie, the President of SAL, defines the words of SAL's mission as follows, 'advancement means doing it yourself and furtherance helping someone else to do it' (SAL, 2005). Dai Morgan Evans, former General Secretary of SAL, applies this to Kelmscott by explaining that through SAL's core objective of maintaining and developing Kelmscott Manor as an exemplar of best practice in cultural resource management, the Fellows use the Manor as a tool by which to learn, develop and gain experience, thereby equipping them to better fulfil SAL's mission of engaging in the formulation of public policy on the care of our historic environment and cultural property.

This thinking played a part in the decision to set up the online sales, with the objective of being one of the first heritage organisations to experiment with online retail (Morgan Evans, 2008). In this way SAL fulfilled its mission by leading the way in regard to heritage development, resourcing and management, equipping the fellows with practical experience from which to advise others. It was only in 2004, two years after Kelmscott's online sales were established, that the National Audit office observed that the majority of museums regard e-commerce as the main commercial growth area.

It is pertinent that this innovative use of retail is also very true to Morris's own view of entrepreneurial activity. As a keen businessman himself, Morris looked to spread the message of the Arts and Crafts Movement through the sale of designed home wares (Parry, 1996). SAL's online retail is also much in this vein, with strict control over the procurement of merchandise to ensure it fits within the brand of Kelmscott both in terms of product and also design — opting for patterns that Morris developed inspired his surroundings at Kelmscott, such as *the Strawberry Thief* (Duchess Of Hamilton, 2006), assisting the visitor in connecting Morris's work to the Manor itself.



*Illustration 11:
The Strawberry Thief
pattern by William
Morris, inspired by
observing birds in the
strawberry plants at
Kelmscott Manor*



In this way, SAL ensures that the messages of SAL regarding Kelmscott and Morris, can reach audiences far beyond the realm of Kelmscott's actual visitors – a task becoming increasingly important with the restrictions placed on the number of visitors that can actually visit Kelmscott.

Within the remit of 'fostering public understanding', virtual visitors are becoming more and more important as a target audience group in the heritage sector. Moreover, internet shoppers form a distinct subset of this audience, with very different access requirements to general internet surfers, researchers and enthusiasts. Therefore, by a) having a website and b) offering online shopping, it is possible to reach a far greater number and diversity of people, without constraints of geography, access and conservation. SAL has demonstrated their understanding of this potential by having the site translated into Japanese, realising that there is a substantial Morris following in Japan, the vast majority of whom will never have the opportunity to visit Kelmscott, yet through their online purchases are engaging directly with Morris's artwork and culture.



Illustration 12: The Kelmscott website in Japanese

SAL has further built on this opportunity, by offering a number of product lines designed as gifts, their impact spreading further as the objects are passed on, carrying with them the spirit of Morris and the Society.

However, there is one mission-related opportunity connected to this that is currently under-utilised by SAL — interpretation at point of sale. A number of internet shoppers will not be interested in reading about an historic property online, merely wanting to identify a supplier for their chosen

purchases. By appropriately expanding the description of the items, adding content that conveys the historical significance of Morris, the pattern and its connection to Kelmscott, even the work of SAL, this audience group will subconsciously engage with the study and knowledge of the antiquities and history, thereby further enabling SAL to fulfil its mission.

As an alternative to visitor dependent income, online retail offers a great many opportunities, however, Kelmscott's website needs emotional and financial investment in marketing and promotion to establish itself and ensure it corners its fair share of the relatively large William Morris Market. While online retail plays an important symbolic role, its percentage of the overall turnover of Lucerna Limited is minimal - this year's predicted net profit is c.£1,500 from c.35 transactions (Milne, 2009). Ironically it appears to be doing more to fulfil the mission of the Society than generate income to support it. SAL has always sought to be at the forefront of communication of engagement with the past, understanding that while a few can engage with the original, many can benefit from viewing copies — hence SAL's extensive prints collection and publications record (Morgan Evans, 2008). It was therefore seen as a logical step for SAL to make the best use of the Internet as a communication method, setting up a website and online retail as a means by which to advance studies of the past. A move which has since been emulated by English Heritage and the British Museum, both in 2008.

It may not be reaching its full commercial potential, but the one thing SAL can say is that, true to its mission to present Kelmscott as an exemplar of best practice and in Antiquarian style, it was one of the first heritage organisations to explore the potential of online sales.

Case Study 3: National Army Museum Children's Birthday Parties

The National Army Museum (NAM) is an Executive Non-Departmental Public Body charged with communicating the story of the British Army to the general public. Free to enter, its principle operational funding source is Grant-in-Aid from the Ministry of Defence. However cut-backs in recent years have required it to explore independent income generating opportunities, for instance, Grant-in-Aid funding in 2004-5 was £5,167,932, but in 2005-6 was reduced to £4,871,374 (NAM, 2005, 2006).

In April 2006, the Museum opened a new child-focused gallery. Branded, 'The Kids' Zone' (KZ), this gallery is a free interactive learning and play space featuring a range of experiences tailored for under 10's. To assist with its sustainability, a commercial enterprise using the gallery as a venue for children's birthday parties was developed.

The KZ has dramatically improved NAM's ability to deliver its mission — attracting many new visitors and dramatically changing the demographic of the Museum's audience. This case study examines whether the birthday parties are also contributing to the mission.

The Mission of the National Army Museum

NAM was established by Royal Charter in 1960 to collect, preserve, and exhibit objects and records relating to the Regular and Auxiliary forces of the British Army and of the Commonwealth, and to encourage research into their History and Traditions.

This remit has evolved over the years to reflect changes in public attitudes towards both museums and the Army, leading NAM to go through a re-branding exercise in 2004. The results of which are summed up in the mission statement:

"To interpret and communicate the objects in the Museum's care in ways which inspire, provide enjoyment and provoke questions from diverse audiences." (NAM, 2006)

This statement pushes NAM to go beyond its role as the Nation's repository of the heritage of the British Army, focusing on delivering public access and engagement with NAM's messages.

Background

As part of the re-branding exercise, NAM commissioned Prince Research Consultants (PRC) to undertake a scoping study on the potential for the development of the Museum, making the most of the existing building to deliver new levels of access and enhanced visitor services for public benefit. The plan aimed at attracting more visitors and having the greatest impact on them, by making the exhibits more relevant and meaningful for wider audiences. In this way, it would

improve NAM's ability to deliver its mission and to meet the expectations of the Government Department for Culture, Media & Sport.

Due to constraints in funding and the need for the Museum to remain open, the proposals were phased. The first was based on the recognition that children aged 0 – 10 were not served well by the museum. The failure to address the needs of this group was of particular concern as it was perceived that carers with older children would be dissuaded from visiting the museum if they cannot be sure that their younger charges would be catered for (PRC, 2006).

Thus a 'Kids' Zone' gallery designed to suit the needs of this age group was installed. Comprising elements of play, interpretation and learning, the space also contained family accessible toilets, buggy store and adult seating area, and had direct access to the café and shop.



Illustrations 13 & 14: The Kids' Zone (National Army Museum)

Development of the commercial activity

In line with the recommendations in the development plan, the concept for the KZ incorporated a business case to justify the expense and ensure sustainability.

The business case was built on the basis that the gallery must, like the rest of the museum, be free to access. At the same time, as the gallery would require refreshment every five years due to wear and tear, it was essential that there was some means of generating income, a percentage of which would be set aside to pay for future refurbishment. Therefore, in addition to the secondary spend in the shop and café resulting from predicted extended dwell times and increased visitation, PRC proposed that the gallery be available to hire for birthday parties (PRC, 2006).

Since opening, demand for children's birthday parties has surpassed the business case figures — in 2006/7 there were 161 parties, as opposed to the 108 predicted — and the prices have increased in response to market demand. As of August 2008, three packages were available: £350, £450 and £550, for 20 participants, with additional heads at £15, £20 and £25 respectively. Each package lasts two and a half hours, and contains exclusive use of the KZ for an hour; private use of a party room; invitations; complementary t-shirt for the birthday boy or girl; party bags for guests; and a birthday tea. Army-themed entertainers, adult menus, and room decorations can be purchased at an additional cost (NAM, 2008).

Does this commercial activity contribute to the fulfilment of the mission of the National Army Museum?

There is no doubt that the creation of the KZ has contributed greatly to NAM's ability to fulfil its mission. However, to what extent the birthday parties have improved public access and engagement with NAM's messages, is not as clear-cut.

Since the opening of the KZ, visitor numbers have increased substantially. In the first year alone, the number of visitors to NAM rose by 88% on the previous year. A figure which has anecdotally been put down to the opening of the KZ, which is considered to be the sole attraction of at least 20% of visitors (Doty, 2008; PRC, 2007). Moreover, the demographic of the audience has changed considerably, with a considerable increase in the proportion of visitors that are children (Doty, 2008).

This has been matched in the number of birthday parties held at the Museum — increasing by over 700% in the second year of operation (NAM, 2007). The numbers of new visitors to the Museum brought in via the birthday parties and the impact of their word-of-mouth marketing, cannot be underestimated; the parties have therefore had a substantial effect on NAM's ability to communicate its message to a larger and more diverse audience.

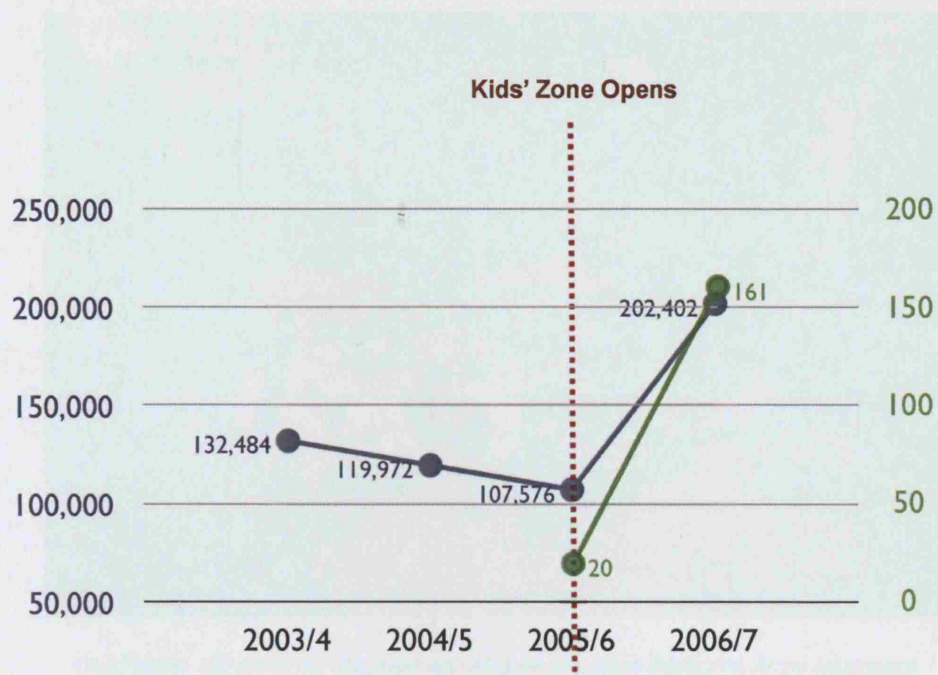


Figure 4: National Army Museum visitor numbers (blue) and birthday parties (green)
(NAM, 2004, 2005, 2006, 2007)

At the same time, a number of visitors to the KZ and children's parties are not converting into general Museum visitors. Anecdotal evidence has shown that about half the visitors to the KZ do not visit the rest of the Museum; some have even been seen to leave if the KZ is unavailable upon their arrival (PRC, 2007; Doty, 2008). Therefore this increase cannot be taken at face value in supporting NAM's mission of engaging visitors with its messages.

Furthermore, as the Museum is located in a relatively affluent area of London (Chelsea) — a fact which is reflected in the pricing of the birthday parties — there is a question over how representative this new audience group is of the 'diverse' audiences that NAM's mission is striving to engage.

A similar issue emerges regarding the communication of NAM's stories through the birthday parties. Anecdotal evidence has shown that the clear educational message that 'soldiers are... [more than just fighters]' is effectively communicated to the users of the KZ (Smurthwaite, pers. comm., 8 August 2008). Consequently, when the children are in the KZ for the parties, they too must be engaging with NAM's stories. However, as few of the parties visit the rest of the museum, this exposure is limited. Likewise, there is a question over whether the messages conveyed by the optional army-themed entertainers are in line with those NAM wishes to communicate, as these are external freelance individuals and NAM has little control over the content of their delivery.

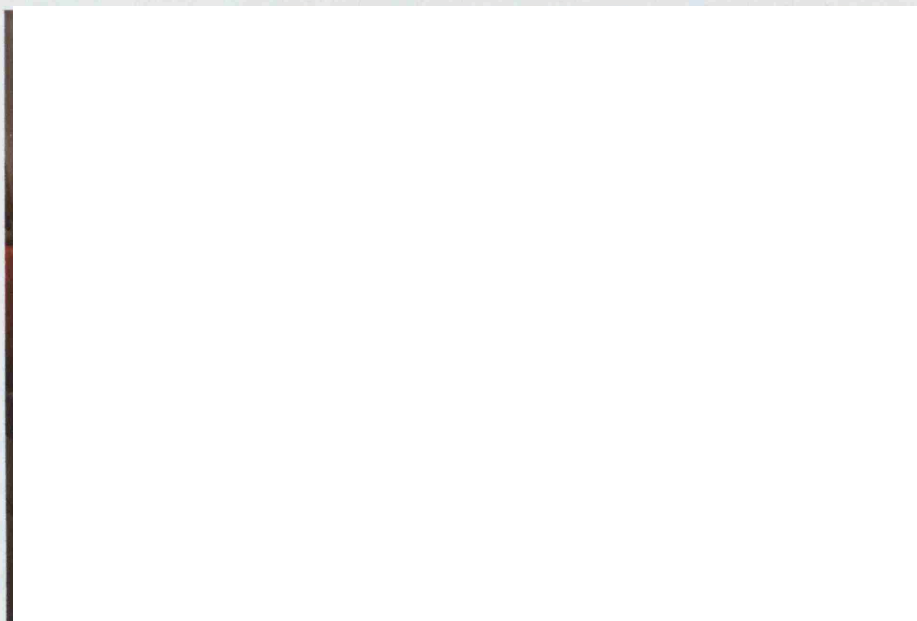


Illustration 15: An army-themed entertainer in action (National Army Museum)

The economic benefits stemming from the children's parties must also be recognised as a means by which NAM can be more successful in achieving its mission. NAM's main source of income, its Grant-In-Aid, is designated for operation only. The income generated from trading activities, such as the parties, is non-restricted, allowing NAM to spend the monies as desired (Doty, 2008). This has enabled NAM to make choices about its future development that go beyond the operation of its basic core activities — a move reflected in its new mission.

Over the three-year period during which the KZ opened (2004-2007), NAM's trading income rose by 28%. Venue hire for birthday parties now accounts for 10% of all of NAM's trading income – a figure equal to that of the well-established enterprise of general private hire (PRC, 2007).

Also noteworthy is that until the KZ opened, the café operated at a loss, subsidised by NAM, who saw it as a necessary visitor service (PRC, 2007). While some of this increase in takings can be attributed to the increased secondary spend stemming from the growth in visitor numbers, the main contributing factor is the catering of the parties, for which the café is the sole provider.

Similarly, the average spend per customer in the museum shop has increased to £12.22. This is up on previous years, £7.83 in 2004/05 and £7.34 in 2005/06. Interesting, however, is that the average spend per museum visitor has not seen comparable growth £1.24, (2004/05 £1.39 and 2005/06 £1.20) a fact put down to the increased number of repeat visitors attracted to the KZ who are less likely to purchase items in the shop (PRC, 2007). (The contribution from party attendees is not known).

The main challenge to NAM over whether the children's parties are helping to fulfil its mission stems directly from their potential to deliver high financial gains. For while more parties will provide

NAM with greater financial support to increase public access elsewhere, this will be to the detriment of access to non-birthday party users who will not be able to enter the gallery during these times. But, some ask, is reduced access to the KZ a problem if it provides income for NAM to continue to offer other services free of charge? — a question that has caused a palpable tension between departments in NAM, who have conflicting agendas: access and engagement versus income generation (Doty, 2008).

One attempt to resolve this challenge is to use the management of the space to balance public and private use. Currently the Museum does not have an official policy to control when and how frequently birthday parties are held, at what times and on what days. In the stead of any formal policy document, the Museum relies on a cross department communication and informal agreement over conditions of use. However, some staff members wish that the parties should be scheduled to avoid peak periods of general visiting, while others see this as problematic, as demand for birthday parties is in the main outside schools hours — coinciding directly with peak visiting times.

There is also a desire from some staff to control how long the birthday parties spend in the KZ to keep it in line with the timed-ticketing. This is not the case at the moment, when parties are offered a full hour, blocking two 45 minute timed-ticket slots with half as many children.

One improvement already introduced is the provision of an alternative room for the birthday meal and entertainer. This has ceased the previous situation of parties consuming their meals inside the KZ, which not only took up more time, but also required a longer clean up, greatly encroaching on public use.

A recent trading review written by PRC for the Museum recommends that birthday parties be increased at a rate of 30% per annum for the next three years — a number that will have a significant impact on public use of the gallery (PRC, 2007). However, with the right management solutions in place, it should be possible to maximise the commercial potential of the KZ without compromising the integrity of the Museum's ethos, ensuring the benefits to the mission from the birthday parties outweigh any detriments.

Discussion

By comparing the case studies and considering the second two research questions – *what should be considered when selecting an activity to ensure that it supports the organisational mission?* and *what management processes and policies are required to ensure that it continues to support the mission?* – a number of commonalities can be observed.

At the core of any commercial enterprise, especially for heritage organisations where the associated assets are invaluable, the essential considerations are ones of financial success and risk mitigation; for instance SAL's use of a trading company, or the NT's selection of an established commercial partner, both of which strive to insulate the asset from the business risks.

However, these case studies also demonstrate that if the intention is to strive to fulfil the mission alongside generating income, merely applying this level of business expertise is inadequate. When they are examined in parallel, four common factors emerge, which have enabled these commercial activities to also deliver aspects of organisational mission.

The first is having a deep understanding of both the mission and the assets, as Doty said, 'its about choosing something that not only supports the word of the mission, but the spirit of the mission, and the ethos that is behind it' (2008). Her example was that it was not sufficient just to increase the number of visitors to NAM, but essential to also consider the quality of their experience in the Museum. Similarly, Ickworth benefited from a thorough understanding of the East Wing and the Estate developed through the creation of the Conservation Management Plan, which identified as many opportunities for the hotel's unique feel, as it did constraints. Likewise SAL used Kelmscott's past to contextualise their online sales, grounding them in the spirit of Morris.

The second is having clearly defined objectives closely related to the mission. Interestingly, the primary objective of all three case studies was not income generation: NAM strove to better engage the under 10-years market; Ickworth sought to find a sustainable and publicly accessible use for a liability; and SAL aspired to be at the forefront of heritage management.

By clarifying its purpose, before developing the enterprise, the organisation is equipped with a benchmark from which to evaluate the activity through all stages of development and after opening, to ensure it is in the best interests of the organisation. All the interviewees were very clear that in order to ensure the enterprise supports the mission, the organisation must lead the trading activity, not be led by it, as Morgan Evans explained, 'the tail should not wag the dog' (2008).

This understanding is at the heart of the third factor: careful management to ensure that the aforementioned ongoing review is implemented and that the financial benefits are kept in perspective. All three case studies demonstrate that it is in the operation of the enterprise that most challenges arise: for instance, the tensions between the NT and the hotel operator over events and between departments at NAM over public access. These challenges can only be

handled by good management, such as regular meetings and evaluations of the activity against its objectives, as both it, and the organisation behind it, grow and develop.

The conclusion can therefore be drawn that formal management procedures must be laid down from the start, ideally supported by a written statement of purpose or plan, setting down agreed boundaries, to be used as a manual of operation. NAM, unlike Ickworth, suffers as a result of having no formally accepted policy to consult and refer to when agendas conflict over the use of the KZ.

Central to the careful management, is the final factor — communication. Having clearly defined objectives is all well and good, but if those objectives are not articulated clearly to those who have a vested interest in the organisation, then the commercial activity will suffer. All stakeholders must be on board with the enterprise, in particular they need to understand why it has come about and what it is trying to achieve. All three case studies involved significant periods of consultation with a range of target groups, including: Statutory and non-governmental bodies; parent bodies: The National Trust, Ministry of Defence and Society of Antiquaries of London; staff members; and volunteers.

These case studies also show that there is much to be gained by communicating the objectives of the commercial activity to the general public. All three have public engagement as a core element of their mission, and have learnt that it is essential that the public view the commercial activity within the context of the overall heritage experience. Not only do the general visitors need to understand how the enterprise will benefit the heritage, the consumers must also be made aware that the product they have purchased has a relationship with the heritage asset, if the mission is to be fulfilled.

By considering these four factors — understanding the mission and the asset; defining objectives; ongoing management; and communication — alongside business acumen and risk mitigation, it should be possible to lift the commercial enterprises above merely generating income, pushing them to actively support the organisational mission.

Limitations of Research

This study has succeeded at making an initial assessment of the ability of commercial activities to contribute towards the fulfilment of organisational missions. However, three aspects have constrained the depth of the analysis.

The first relates to the use of interviews as the primary research method. While interviews are ideal to gain first person insight into the subtleties and intricacies of a situation, inaccuracies in memory and subjectivity can impact on the value of the evidence. Attempts have been made to counter this

by correlating information with documentary sources; however, this has not always been possible as not everything is recorded. While, efforts have been made to represent the case studies in a fair and objective manner, further research could involve a greater number of interviewees representing a wider opinion base.

The second involves access to financial information. Initially this report sought to find out what percentage of the operational costs of the core activities was covered by the profits and to identify the costs to the organisation in undertaking the commercial activity. However, this proved not to be possible due to a) certain figures being deemed commercially sensitive and therefore not accessible, and b) the challenge of differentiating the costs of the core activities from the costs of running the commercial enterprise. For example the KZ is cleaned the same whether used by the public or for a birthday party. While it is clear that the financial income from these activities is merely supplementary — none of these heritage organisations could survive on the profit from these activities alone — the findings would benefit from further research into detailed accounts to better evaluate financial 'success' alongside mission success, possibly by using the Triple Bottom Line approach to accounting where environmental and social profits are evaluated alongside financial performance (Elkington, 1998).

A third is limitations of time and resources. It would be interesting to go on to explore how the organisations have expanded since the establishment of these enterprises. Ickworth House, for example, has gone on to develop the West Wing as a venue for conferencing and events – a move which would not have been possible without the hotel in the East Wing.

Conclusion

These case studies have shown that trading has a purpose beyond that of making a financial contribution to an organisation's operations. It communicates marketing messages, adds value to the visitor experience, supports the broadest access, learning, and outreach initiatives and enhances the organisation's core message.

While not perfect, the case studies do demonstrate that, it is possible to apply von Wistinghausen's mantra to commercial activities, blurring the line between 'public goods' and 'private goods', and making commercial enterprises positively contribute to furthering organisational missions.

As more organisations are faced with diminishing public financial support, and are adopting principles of Sustainable Development, as defined by the Brundtland report (United Nations World Commission on Environment and Development, 1987), it will be interesting to observe if the former wariness of commercialisation will give way to a greater embracement of entrepreneurial activity, where the 'mission reigns supreme'.

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Case Study 3: National Army Museum Children's Birthday Parties

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Appendices

Appendix 1: Kate Carver, Interview Transcript

Interviewee: Kate Carver, Property Manager, Ickworth House (KC)

Location: Kate Carver's Office, Ickworth House, Suffolk

Date: 3 July 2008

Interviewer: Laura Samuels (LS)

Recorded, then transcribed.

Kate Carver has been the site Manager for Ickworth House since 1996. Under her supervision the site has greatly expanded, with her as the main champion for both the East Wing and West Wing developments, employing external consultants and executing the expansions. She has a Masters in Heritage Management from the Iron Bridge Institute.

The interview began with a brief introduction by LS outlining the purpose of her research and her objectives for the interview. LS discussed the semi-public nature of the Report and talked about confidentiality. LS also discussed the desire to record the interview and KC permitted the recording.

KC then suggested she begin with showing LS a quick 10 minute PowerPoint presentation on the history of Ickworth.

KC: 2:35	<p>The Ickworth Estate came to the National Trust in 1956.</p> <p>It's the ancestral home of the Hervey family who were earls and later marquises of Bristol since the, well the ancestral home of the Hervey family since the 15th Century. The last incumbent moved out of the East Wing of Ickworth House in 1997, which we'll get to in a minute.</p> <p>So in '56 [um] it passed to the treasury in lieu of death duties and then it was passed to the National Trust, and it opened to the public in '57.</p> <p>Its an estate of 1800 acres, with [um] Ickworth House in the centre, with the central rotunda, which is the sort of iconic image of Ickworth, the East Wing and the West Wing, linked corridors. Surrounding the House are 700 acres of gardens, and beyond that just under 2000 acres of parkland and woodland.</p> <p>This is a view from the south of the house, looking up to the 18th Century walled garden, which is now a vineyard – we produce Ickworth wines, we're the only vineyard in the National Trust.</p> <p>[gesturing at the image] The First Earl's Summer House, the vineyard, the church, and above that, the Rotunda.</p> <p>Every property in the Trust has something called a Statement of Significance – do you know about...</p>
LS:	[nods]

<p>KC:</p>	<p>yes, which essentially noted down what's important about the property.</p> <p>Our Statement of Significance calls Ickworth 'a survivor of time'. I guess really it's a story of evolution and change over the centuries, and in fact the commercial evolution has just been another facet of that evolution.</p> <p>(4:16) What's significant about Ickworth, these are the sort of heritage assets, man-made landscape, historic pleasure grounds, parkland, woodland and farmland. Extraordinary collection of buildings and structures, Hervey family collections, which are still in the house, which were amassed by the Herveys, a lot of past occupation of the site, and there's lots of archaeological evidence and a big nature conservation value as well, and quite increasingly important a green and valued place – the Trust has a phrase 'Green Spaces' and it's one of these Green Spaces.</p> <p>That's the sort of bricks and mortar of the heritage assets, and exemplified by the House which is the main image in most people's mind</p> <p>But beyond that, you know, and really the crucial asset are the people who have been associated with the site over the centuries, and nowadays we have 150,000 visitors to Ickworth, particularly young families, but we also have another community, we have sort of different payers of community on the property, there's the staff who work here, there's 29 permanent staff plus seasonal. There's about 200 volunteers [gesturing at the image] that lady is a volunteer, without volunteers we could not open.</p> <p>We have the community of the agricultural side of the estate – we're a working agricultural estate as well. And then we have the different business communities that operate within our boundaries, if you will like.</p> <p>So beyond the bricks and mortar it's a place of enjoyment and inspiration.</p> <p>The other things that is really important about our Statement of Significance is this... there's an absolute of the joy of beauty at Ickworth, and the next two slides are just to show that off, because Ickworth is just so beautiful. You can come to Ickworth at any time of the year and there will be something that just sends shivers down your spine, [gesturing] this is deer out in the woods in May probably and that's a fantastic sunset over the deer-park in winter, so I just put those into the talk to cheer people up really, stop them going to sleep.</p>
<p>(6.33)</p>	<p>Centuries of evolution and change, here are some examples, so for instance, in the second world war all the parkland to the south of the House was ploughed up as part of the dig for victory campaign. And the Trust is now going through a process of re-emparking it, so that means taking arable land out of arable productions and putting it into permanent pasture and planting trees. So [gesturing] this is a former arable field that's gone into permanent pasture, before all the trees are planted, basically. So in 150, 200 years time, there'll be mature parkland to the south of the House, um, we have got some at the moment, but it will go all the way back to the woodland that surrounds the house.</p> <p>And really that's a very good example of the long time-scales of the Trust, you know, we don't just look ahead to the next financial year, or the next 5 years, or the next 10 years, we're here forever, for everyone, and planning for the future, future generations, is what we do basically, and that's very different from, for example, commercial partners, who only look towards the end of the next financial year, I don't say that in my talk, but you know, that's true.</p>

(8.50)	<p>Changes on a more sort of intimate basis, if you like, a smaller basis, [um] we do things like create new attractions at the property, this is a new garden walk that we put in, called the Erskine Walk, which is basically a woodland walk with a lot of native species, and the Trust increasingly has a big nature conservation role, you know it started off really to look after historic houses, [um] places of historic significance and natural beauty, but the conservation mission of the Trust is becoming more and more important. And that's resulted in changing practices throughout the Trust and a change in ways of presenting properties, so for example, on the North lawn out there [gestures out of the window] we now have a wildflower area, and this [gestures to image] is a bee orchid from that wild flower area, which, you know, probably 40 years ago, the Trust wouldn't have deemed that to be appropriate, but now it is.</p> <p>Other changes involve improving facilities for visitors. About 60% of our visitors visit the Park and Garden, about 40% visit the House. And even without the big developments in the East Wing and West Wing, we had a development programme to enhance the facilities in the park so we get repeat visit, particularly from families, things like a family cycle route, a trim trail, which you know is a sort of exercise trail through the woods, big children's play area, lots of different events, so family events, [gesturing at image] this is Garden Games, to big sort of set piece events, country fairs, that type of thing, to seasonal events – this is Easter Bunny Day. So we have a big programme of events [searches in drawer for flier and hands to LS].</p> <p>You know which is aimed at getting more people in, gaining more supporters, giving people a deeper relationship with the property.</p> <p>We also have been going through a process of refurbishment of the interior of the House, to refresh the visitor offer, [um] here are a few slides talking about that... this is the smoking room, that was done a few years ago, we had a big redecoration programme for the entrance hall,</p> <p>(10.18) which involved renewing the lay light which is the huge skylight on top of the hall. [gesturing] that's a view on top of the lay light, that's the glaziers chipping the putty out.</p> <p>And then I do a bit about conservation which I won't bore you with [flicks quickly through slides].</p> <p>Work to the exterior of the building as well, we had to replace the lantern on top of the dome, which involved a full height scaffold, and so a mammoth crane, that had to put in this, what's called a floating bridge, to reach the lantern, and then a temporary roof over the lantern so that was a £350,000 project, capital project.</p> <p>And then, moving on to Prince Research Consultants' involvement, even more changes, 1997 to 2002, in 1996 the seventh marquis decided to vacate his rented accommodation in the East Wing. The East Wing had been eased to the family since 1956, in 1996 the seventh marquis decided basically to sell the contents of the East Wing and move out.</p> <p>So in 1997, the Trust had the opportunity to think about what it wanted to do in the East Wing, which is massive, you know, its like a mansion in its own right. And we started to look at various options, and at a very early stage I suggested bringing in Prince Research Consultants, because I'd worked with them previously on a project in Essex, and I'm pretty sure it was them, it was, who helped us to go through the various options for development,</p>
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	<p>and I think we looked at about, I don't know, 30 to 40 different options, ranging from things like could it be a new office for the National Trust Regional Office, could it be split into time-share apartments, or could we have a single tenant, could it be something like a museum or a religious establishment, whatever, and eventually, working on a particular set of criteria, we decided the most beneficial solution to the reuse of the building was a hotel, and stop me if you know all this,</p>
LS:	<p>No, I am interested to know what those criteria were, but maybe afterwards...</p>
KC: (12:41)	<p>Well I can briefly go through them now, the criteria were, first of all we wanted a solution that didn't mess around with the building too much, because it's a Grade 1 listed building and therefore we didn't want anything that would really disrupt the fabric too much. We wanted something that would allow some degree of public access, because there hadn't been public access to the East Wing when it was privately let to the family, we wanted something that would bring in a good income for Ickworth, and we wanted something that would be financially sustainable that had economic and commercial sustainability into the future, so those were the four main criteria, and all the different options were sort of marked off on a chart, I've got that chart somewhere, David's probably got it somewhere as well.</p> <p>We decided to go for the hotel option, and then, [um] that's a view of the East Wing [gesturing at the image] it was decided that the East Wing itself and various outbuildings and a 12 acre cartilage would be included in a 99 year lease, including an area of garden paddock, and then we set about identifying a hotel operator, and again Prince Research Consultants and Susan Blurdy, were particularly involved in identifying an operator, and we finally settled on Luxury Family Hotels, and the reason why the Trust decided on luxury family hotels was, really twofold I guess, because their solution for the building was not very interventive, so whilst they wanted to do things like put new bathrooms in, etc. they didn't want to do things like put air conditioning in, which some of the bigger hotel chains, would have done, because as you know air conditioning is very detrimental to a historic building, the financial deal was acceptable, though it wasn't quite what the Trust had hoped for, in some respects, and thirdly because Luxury Family Hotels, their profile, as the name suggests, was to encourage families, and that fitted in with the Trust's mission for Ickworth, which was to bring in new audiences and encourage families etc. so you know it all seemed to fit fairly well.</p> <p>[um] so I can't remember, sorry I am so terrible with dates, because so much has happened since I've been here, I think the build started around 2000, whatever, something like that, and its was a year's or so's build,</p> <p>[um] if we get a chance afterwards, I'll whiz you into the hotel [gestures at the image] this is a view of the drawing room, and the decorative scheme for the hotel is very eclectic, with sort of classic 1960s, 1950s furnishings, chairs and that sort of stuff, chandeliers, that sort of thing, and some of the rooms are more traditional with 19th and early 20th century continental decorative features, I mean essentially there was no attempt to recreate historic interiors, which would have been impossibly expensive and not appropriate for the use of the hotel, the only new build was the swimming pool, which the planners agreed to and that was popped inside an existing historic walled garden area.</p> <p>Also as part of the deal was the Dower House, which is a separate building on the North of the Estate, and that's used for hotel apartments, the idea being that basically they're suites, with a little kitchen, and the idea being that guests can make their own breakfast or whatever and then go down to the hotel for their main meal, the pool or the health spa, or whatever.</p>

LS: (16.29)	Can I ask with the décor, did the National Trust have any say or was its purely done by the hotel?
KC:	[Er] well yes and no, I mean, it's a very stringent lease to start with, and there are certain aspects of the lease to do with the historic features and fittings that they had to leave in, so for instance they have a fantastic basement which has, the main kitchens for the entire house, were actually under the East Wing, so there are historic features and fittings like cooking stoves and dumb waiters, luggage lifts, bells, all that sort of stuff, all that stuff had to be left in, but as regards to the movable furnishings, no, I mean it was the tenants, by that time they were tenants, it was the tenants vision for what they wanted for their hotel. And it was all interior as well, I guess if there was anything exterior the Trust would have had something to say about it, and the planners would as well, but not the soft furnishings.
LS:	Is it possible to see that original lease? Is that difficult? Or just the constraints is what I am quite interested in.
KC:	<p>Well I might not be able to show it to you today, but I can talk to our rural surveyors to see whether it is appropriate that an external person looks at it, because it is a confidential document between us and the tenant. So I'll get back to you on that one.</p> <p>The hotel operator has now changed, it is now von Essen Hotels. Luxury Family Hotels, the group, there were five hotels in the Luxury Family Hotels group, and basically von Essen bought the brand and we're still, to some extent, in the early days of that relationship with von Essen and we'll see how that goes.</p> <p>The Trust then moved, So the Hotel opened around about 2002 and its been operating in a satisfactory manner ever since, if you want to quiz me more about that later on, the feel free and about the operating relationship and how that impinges upon our own activities, but just getting back to the evolution story, for many years that Trust have been concerned about the visitor facilities, here at Ickworth, our restaurant and shop and lavatories were all in the basement of this building [the Rotunda] accessed by a very steep staircase, which was very difficult for anyone with walking problems or people with pushchairs or whatever, it was also a huge fire risk to have kitchens and a restaurant in the bottom of what is in effect a huge hollow chimney, so for many years the Trust had been look at a solution to the visitor facility problem, and once the East Wing was completed, the situation had then become possible to start thinking seriously about development of the West Wing and here I have to backtrack a little.</p>
(19.48)	<p>In the early 90's the Trust had created a scheme for the West Wing for its development, which at that time was linked to the Arts Lottery Fund, because it was when the Lottery first started and big capital arts projects were being funded by the Lottery. And so the Trust devised a scheme for the West Wing which would put some visitor facilities in, but basically was to use the Wing as an arts centre.</p> <p>You now that Arts Lottery was the golden goose that was going to supply, and it was about a 7 million pound project at that point. They had an architectural scheme for the conversion of the building into this arts centre stroke visitor facility, and then set about trying to get planning permission, and by 1996, just after I arrived, the Trust had failed to get planning permission for this scheme, it then took another two years probably for it to get planning permission, going through a public enquiry and all the rest of it, the Trust had got planning permission, but by that time the window of opportunity for the arts Lottery funding had closed because big arts projects, capital projects, were not being funded.</p>

	<p>By that time we were then into 1997, 1998 and the start of the East Wing instead. And it was originally envisaged that the commercial solution for the East Wing would provide a capital sum which would then fund the works in the West Wing, as it turned out, that didn't happen, because of the various sort of financial arrangements with Luxury Family Hotels,</p> <p>but by 2002 then, we had the East Wing up and running, we had an income stream that was coming in to our operating budget if you like, but we didn't have a capital sum for the development of the West Wing, however, thinking within the Trust had moved on and it became possible essentially for the Trust to negotiate with the Treasury for what in effect was a sort of mortgage, a loan against the endowment of the property,</p>
	<p>[interview pauses when someone comes into the room, second recording]</p> <p>So the Trust negotiated with Treasury to create a sort of mortgage, if you like, against the endowment of the property, which was quite a big lump in the capital sum, there was also a big bequest that came to the Trust a million pound plus bequest, and there were also some regional funds that were made available, and also the project went through, what was called, a value engineering exercise, basically a cost-cutting exercise, and it was whittled down from a 7 million project to a sort of 4.8 or something like that million project. Anyway, the upshot of it is that building works finally started around about 2004 something like that.</p> <p>The West Wing was a huge empty interior, it was basically built to complete the symmetry of the building, with the east Wing, but it didn't have any floor levels, so nothing inside. Just open to this fantastic timber beamed roof. This is the architectural solution that the Trust adopted. This was designed by Sir Mathew Hopkins, and basically it puts two floor levels into that void, and puts two floor levels into the link block on the end, which is where you went into reception. And this would create three levels, basement levels - kitchens, storerooms, areas for learning and education, lavatories. The middle section - main reception area, shop and restaurant. And on the top floor - two spaces that could be used for conferencing, banqueting, events etc etc.</p> <p>So work started, here we are underpinning the walls [gestures to images] to take the weight of the new floors, swinging in the new concrete beams to take the new floor levels, putting in the concrete soffits that make up the new floors, a view of the top floor that's nearly completed, and that's it in operation today set out for a concert and a wedding.</p> <p>Reception area, this again had odd floor levels, including a floor level that cut across these fabulous full height windows, and so part of the architectural scheme was to take that floor level away and to open up those windows, so that's our new reception area, which is here [gestures to image].</p> <p>And beyond that we have the new shop and restaurant.</p> <p>The only historic insertion within the body of the wing is the orangery, which is on the south side of the building, and that is retained as a historic space. And because of that designation, if you like that limits the actual activities we are prepared to have in there that sometimes causes discussions with our commercial partners.</p> <p>And I now digress from my talk, but moving on the commercial partners, in the early parts of the noughties, early 2001, 2002, the Trust was going through a big organisational review, and at that time it felt it didn't have the experience or the personnel who could create a commercially viable conferencing and banqueting business, to use those two areas on the top floor of Ickworth, it also needed a bit of capital injection into the project as well</p>

	<p>and so it was decided to seek a second commercial partner who would create a conferencing and banqueting business of the top floor of Ickworth, who would also run the day visitor catering which had previously been run by National Trust Enterprises, which is the in-house catering body, and which would in partnership operate the West Wing, so again with Prince Research Consultants help, I think, we went through a selection process and we finally came down to two and finally selected Sodexho Prestige, which as you probably know, is a division of Sodexho, which is a huge mammoth multi-national company that does things like prison food, school food, catering for the Olympic Games, Commonwealth games, and that sort of stuff, but they have a heritage division, basically, that does catering in historic environments such as Blenheim, and they've had other contracts around the country at various times.</p> <p>And this was a, these commercial developments on the East and West are both revolutionary for the Trust, and Ickworth is deemed to be very much a test bed for these commercial relationships to see how they work. In Sodexho's case particularly the days visitor catering, because the Trust does its own day visitor catering, and its been a very challenging and interesting experience, working with a franchisee in effect, on our day visitor side, and also with the operational demands of running this mammoth very lucra... well its becoming very lucrative, commercial business with the conferencing and banqueting, because all those events that take place on the top floor of Ickworth, a lot of them take place during our normal operational times, and so for example, on a Saturday, we might have the normal plethora of visitors coming to Ickworth, we might have an event on ourselves, there might be a big, for the sake of argument, Pony Club event going on in the Park, there might be a wedding on the top floor, and the bride might be arriving at lets say 3:30, we've got the shop and the restaurant running for day visitor trade and all these operational requirements are going on at the same time. So in terms of managing all that, its quite challenging for the property. In terms of my work, a lot of my work is managing the relationships within the property, so not just with staff and volunteers and visitors, but also with tenants and all the so-called normal in inverted comma activities and also the relationship with, and between, the commercial partners.</p> <p>So Ickworth is very unusual to have this level of activity, its very unusual to have this level of development, to start with, because not every property has huge vacant wings, obviously, but also this level of activity is very unusual as well and we're constantly under the microscope from our colleagues in head office and constantly getting all kinds of people visiting us and having a look, and from our commercial partners' point of view, its also to some extent an experiment for them as well, particularly Sodexho, who you know are interested to see how this is going as a business model, for other relationships either within, for the Trust or other organisations.</p>
LS:	How do the hotel and Sodexho get on?
KC: (7:42)	Well again, that's an interesting relationship. Our vision for both commercial partners would be that they were complementary not competitive. But there are certain areas where they can be seen to be competitive, for example, they both do corporate business, although to a different extent, because in the West Wing we can take big business meetings for 200 people, they can't do that in the hotel.

	<p>But there is sometimes slight friction, but what we have done is evolve this concept called 'Destination Ickworth' and what we're trying to do is market the whole of our facilities as a whole, because the sum of the parts is more lucrative and attractive than the individual elements, and also to make it easier for our clients and customers as well, because you know, if you google Ickworth corporate at the moment it's a bit of a mismatch whether you get a National Trust site or a Sodexo site or a von Essen site, and there is definitely work to be done to maximise the business opportunities and part of my role is to try to maximise the business opportunities for all of us.</p> <p>Because very often a client will want elements from all three, so you know, there might be, a conference for 200 people, but they might want hotel accommodation for their main speakers, they might want family activities for spouses and partners, they might want a family day associated with it, they'll probably want at some point a tour of the house, or a tour of the gardens, so there are various opportunities. It's a work in progress is all I can tell you really.</p>
LS:	Do you think the Trust was more supportive of the West Wing because the East Wing had happened? Because it had a commercial partner and was established and seemed to be working, and so they felt they could...?
KC: (9:30)	<p>That is an interesting question, [um] I don't remember that ever being discussed, I mean it was all working well with the hotel by the time Sodexo came on board, I think they were much more pragmatic actually as were sort of after a partner that could inject a bit of cash, but who could provide the services that we wanted in the future. Had the hotel been going completely pear shaped then perhaps there would have been more analysis if you like, but I don't think that was a major factor.</p>
LS:	and do you think the Trust would do similar things... you say this was a bit like a guinea pig
KC:	<p>I don't know because now the Trust has moved on and now the organisational review has bedded in and the Trust is moving in a lot of different directions, and is much more commercially focused than 7 or 8 years ago and it now has the in-house expertise to develop businesses as we have got. [um] the lease [um], Sodexo prestige have a lease on certain areas of the West Wing, and we have an operating agreement with them. And that's on a fairly short time-scale, which is usual for this sort of financial arrangement – its ten years, I think, or 12 years. And at the end of that time the Trust will then have the option to either renew with that company, or have a beauty parade for a new company, or perhaps manage the facilities itself. [um] you know, who knows, who knows what will happen.</p>
LS: (11:20)	and the operating agreement – is it a little bit like the conditions you had on the lease with the hotel in that it controls what they can and can't do?
KC:	<p>It's a lot to do with, the thing is you see, as far as out visitors are concerned, the day visitor facilities and service is provided by the National Trust. Sodexo don't brand as Sodexo, they brand as the National Trust. And so a lot of it is to do with making sure that the franchisee fulfils the policy requirements of the Trust. And so things like food policy, local regional sourcing of food, not using endangered fish stock, that sort of thing. Really trying to get as close a match as possible between the Trust's core beliefs and philosophy and what is possible for a big commercial organisation to provide and</p>

	<p>it doesn't always match because, for example, they have [um], what's the word? corporate buying arrangements, central procurement arrangements, and so that they can only buy their, lets say for example, tea from so-and-so, and that might not exactly match the Trust's fit, so, but on the other had Sodexo tells us their business is changing as well, and they're becoming much more responsive to clients' desires, to clients' requirements, as regards freedom food, or ethically sourced products, that sort of thing. And so I think from both sides things are changing.</p> <p>[goes back to presentation]</p> <p>You don't want to see photos of the boiler house or of bats... [Clicks through images]</p> <p>Do you want to hear a little about the next stage of development?</p>
LS:	yes, that would be interesting
KC: (13:12)	<p>Anyway, the West Wing, the building work started and then it all opened in 2005, and so now that's been operating, this is our thirds season of operation, and were learning all the time, and the volume of business is increasing all the time. So for this year, for example, we've got 30 weddings, which is a lot, I think last year we had 24 and in the first year we had 14, or something like that – it's a very profitable area of business.</p> <p>But it meant that the shop and restaurant and the visitor facilities that were formerly in the basement of this House have now been moved, leaving those areas free, and what we're planning to do is basically open those areas to visitors, to show the story of what went on below stairs, how those spaces were used, and the interpretive medium by which we are planning to do this is actually through the lives of the people who were doing the work down there. The real lives of people who worked below stairs. And so we have a real lives project, the aim being to open the basement, to tell the story of the spaces below stairs though the real lives stories of people who worked there. Our concept for this is that its not just going to be a static exhibition, its not just going to be fixed interpretation that is put in on day 1, and remains there. Its actually a two phased project and there will be two phases of interpretation. And as soon as we kick off the project, then a research project will start, its already started actually, engaging with supporters to shape the content by that I mean a big oral history project. Which is seeking to go out into the community, and get those real life memories of you know family members, photographs, objects, that will help inform the interpretation of what goes on down there.</p> <p>We've put in an HLF bid, Heritage Lottery Fund bid, in March, and we hope to get the decision in September. It's a 1.8 project cost, and our HLF bid is for just under 1 million. And so the other part of it is going to be quite a big fundraising element, which is going to be very challenging, and the rest of it is coming from hopefully a major donor, and other sort of grant aid sources. And we've actually got the HLF coming on the 24th to quiz us about it and so its going to be a key meeting.</p>
LS:	and is that something that has been developed in house?
KC:	What the interpretation or?
LS:	The project, the concept, the bid...

KC:	Well the project concept has been developed in house, yes we have a project team, and I'm what's called the project champion. And I have colleagues who represent learning and interpretation, curatorial, and building conservation. Richard Hill is the project manager, and Richard was the project manager for the East Wing and the West Wing as well. There's been a lot of involvement obviously from people on the property as well, particularly our learning and interpretation officer, whose been fantastic. And regional colleagues have been fantastic as well. Its real, sort of typical National Trust group efforts. In terms of the, I mean do you know much about the HLF programme of assessment?
LS:	yes
KC:	<p>In terms of the bid, you know, we had to prepare the Access and Audience Development Plan, Conservation Management Plan, and, what was the third one? Cant remember, anyway, all the various supporting documentation and we're working with a company called TellTale, who you may or may not know, who have come up with an Interpretive scheme for us, and should we get the money from the HLF then we're really looking forward to working with TellTale and Susan Cross, who is their sort of visually interpretive person.</p> <p>HLF you know are very concerned that the public benefit elements of the project are delivered, rightly so, and that's one of the reasons why we're meeting them on the 24th July.</p> <p>They are particularly concerned that we build audiences, reach out to new audiences, and deliver the learning and interpretive gains that we said we will do, and really in order to try to establish our credentials in being able to do this, we've also been working on a young roots project, and I don't know if you know about young roots, but HLF fund projects up to 25 thousand working with young people, to help them to understand their heritage, and to teach them new skills. And we worked with a local school, called County Upper School, Lisa my colleague put a notice up at the school and these young people signed up, they weren't know to each other, they're not drama students, the project was to basically work with a professional writer and a professional film maker, to make a film about and within the basement of Ickworth. Based upon the real lives, some of the oral history reminiscences that we'd already collected. And so the students worked with the script writer to come up with ideas, they incorporated some of the known historic characters, so for instance, Mr Jari, he's the butler, Mrs Sankster, the cook. But it's a loose interpretation, you know, its not a historically accurate story, its an interpretation using some elements of real people. Anyway, the students got on with it, they wrote the script, and this is them [gesturing at the image] doing some of the acting in the basement. They also learnt the technical skills, so some of them were on the sound side, some on the camera side, and others were getting costumes and doing all that sort of stuff. And they learnt a huge amount about Ickworth and, although I don't have pictures of this, they made the DVD and then we launched it at the local CineWorld, and the cinema manager very kindly gave us a screen for the evening and we had a sort of Oscar evening, the red carpet and all the students and their families in costume, in [er] you know fabulous clothes. It was a real huge thing. And its been a really inspirational project and at some point we're going to get DVDs and I'll send one to you actually, because its, you know I get very emotional talking about it, because its been such a fantastic project. And anyway, so hopefully HLF will be hugely impressed by it and give us loads of dosh.</p>

	<p>So that's the big development things, East Wing, West Wing, Real Lives, but you know it goes on all the time, and so there's lots of other development things we need to do on the property, we need to find new facilities for our gardening staff, there are various provisions we need to make for our tenant farmers and our vineyard tenants, we're having a garden conservation management plan and a park conservation management plan written at the moment, and the chap who wanted to go on the roof, is a specialist in garden history is writing them. We're also very involved in all the Trust initiatives particularly those to do with conservation in action and engagement with visitors, really it just goes on all the time. Sp that's Ickworth – it never stops.</p>
LS:	So who was that presentation aimed at?
KC: (21:16)	<p>Well that particular one, we have our head office fundraising section, we had a patrons and benefactors day and patrons are people who have given 500 pounds to one of the Trust's appeals, benefactors are people who have given significant sums of money, and there's a whole programme for these people throughout the Trust all the year, with visits to properties and we hosted a day and that was the presentation we did to them. And then later on in the season we've got a legacy day when we're getting people in who leave legacies to the Trust, but its just a useful encapsulation of what we've been doing here for the past 10 or 12 years.</p> <p>[end of presentation]</p>
LS: (22:38)	<p>Thank you, you have covered a lot of the questions that I wanted to ask, which is good.</p> <p>You mentioned that the National Trust had these agendas – opportunities for engagement and conservation in action, does the National Trust have a set mission or agenda of what it would consider to be its core activities? Not so much the capital projects, but its core responsibilities? Does that exist?</p>
KC:	[er]
LS:	or does one exist for Ickworth?
KC:	<p>Yes, I am in the process at the moment of rewriting the property management plan, which sets out the vision for Ickworth, key aims and then a three year work programme. And in about a month's time I could probably send you a draft of that. So that's for this particular property. And the central purpose of the Trust is obviously stated on the website. Basically we're a conservation charity for places of historic interest and natural beauty. And its core aims, well that's the central core aim and all the different policies are clearly stated, so for instance, principles of sustainability, there's sort of a hug thing about sustainability principles. So yeah, we're a very mission and vision focused organisation.</p> <p>And its all out there, if you want it. And every region and every property has reams of stuff as well. So basically everything we do at Ickworth should fit within the property management plan, which related to the regional business plan, which relates to the National Trust's strategy – and there are four main NT strategy areas, which are: 'engaging supporters', 'financing our future', 'investing in our people' and 'improving conservation and environmental performance'. And so the National Trust strategy, this is the 2007-2010 strategy, and there is a central strategy unit within the Trust. So its all very focused.</p>
LS:	so does that guide what you do in that you have to make sure that any activity
KC:	absolutely, fits in

LS:	has to fit in with that?
KC:	fits in within those four strategy areas. So the whole of the property management plan is written within a template that basically explores these different areas.
LS:	Right, and ideally anything you do will do all four? To some extent?
KC:	Not necessarily, I mean some will do some, you know there are for instance there are actions which might be financing our future, which aren't necessarily you know engaging our supporters. And ideally they would be, ideally all these things would interact, but not always.
LS:	and does [um] sorry, I am jumping now a little bit, in terms of the financing side, you mention that you've got lots of different income streams, and its not just the hotel, and I totally didn't value the West Wing as much, I mean I obviously didn't know that
KC:	no, no
LS:	and its very interesting to learn, does that mean that Ickworth can survive?
KC:	well again, again, it becomes very complicated and you will just have to bear with me for a minute,
LS:	that's fine
KC:	different National Trust properties have different statuses of how they are funded. Ickworth is what's called a general fund property. And that means, the General Fund is basically a pot of money the Trust has to finance the care, conservation and activities of various properties, and from lets say 1957 when it came to the Trust to roughly 4 years ago this property had a deficit, an operational deficit, and so every year from 1957 to 4 years ago it was bailed out by the General Fund who helped it meet its running costs, its operating costs. The idea is that every General Fund property eventually, rather than them being in debt to the General Fund, becomes in credit and the operating credit, if you like, can then be put back into the general fund, to bail out those less fortunate properties who aren't making a profit. And each property who is in debt to the general fund has an historic debt, because its got 50 years of, you know, pinching money from the pot, to pay its way, eventually, with our new income streams, because we're now in credit, every year we have an operational balance, which is great, due to our income from the hotel and increasingly our income from the West Wing, and due to our own business activities, because we operate our own business, we don't just sit back and get rent from each side, eventually we will pay off our debt to the General Fund, which, I don't know what this figure is, but you know its probably 15 million or something, and eventually we will have paid off our debt, and then a decision will be taken on whether we change our status and we can become something called a Special Trust in Credit, which means that [er] you cannot call on the General Fund if you have a bad year, so you have to form the forward pay your way, but the flip side, the positive side is that you are then allowed to spend your money how you want to.
LS:	so you can keep the surplus that you make?
KC:	yes
LS:	and use it for capital projects?

KC:	yes, so one of our sister properties in Cambridgeshire, Wimpole Hall, which you know is worth a visit if you want to go there, is a Special Trust in Credit, and has been for quite a few years, and so they have been able to make capital investments. I mean there are two sides to the coin really, that can be great in good years, but you know in an economic recession, you might find its better to be a general fund property.
LS:	Did you suffer, for example, with foot and mouth and things like that?
KC:	oh yeah, we had to close the entire property, for foot and mouth. And the Trust as a whole had an incredibly bad year and that is one of the key features of this strategy, this 2007 2010 strategy, is to create what's called a 20% net gain. So basically it's a 20 million pound surplus in addition to all, beside covering all the Trust's running costs, the 20 million pound surplus, which the Trust can then use to forward its strategy. So this 20 million pound surplus, for instance, is now funding specific strategy driven capital projects to improve conservation, you know so it might be a new roof for a house somewhere, or putting in an environmental monitoring system, or it might be a new learning centre, or it might be some new posts, and in terms of the financial management of the trust, I mean really you ought to talk to someone who is more au fey with all the strategy line than I am, its been a complete, its been like turning a tank around, a complete step change from how the Trust has managed its finances, and how the it spends that surplus, and the benefit of, [trails off]
	and its been a really hard time for everyone in the Trust, you know, we've all had to work really hard to make this 20% net gain which was done in the last financial year, and so there was this 20 million pound surplus last year, and of course the target for next year is 23 million, and so you know it goes on and on,
LS:	and that's across the entire Trust?
KC:	That's across the entire Trust and its entirely strategy led
LS:	and so the idea being that its above and beyond this general fund, so you've got to cover all your operating costs and then you also have to make some extra to go into this pot?
KC:	that's right
LS:	and it comes before paying back the general fund that you owe
KC:	yes, so every property will have its budget set, I have targets that I have to reach and every region has its target and then they feed into the national target which is to cover all the operating costs and to try and create this 20% net gain.
LS:	and that's led directly by the national body?
KC:	yes that's directly led by the Director General, Fiona Reynolds, and the central strategy unit.
LS:	so your targets are set externally?
KC:	Well, only in terms of the strategy they are, I mean our financial targets for this particular property and then the regional business plan, they're set by the property, set by the region, but they have to be approved by, you know, it sort of goes up to head office,
LS:	and in terms of the regional business plan, you're just part of that?

KC:	we are, we're actually a very key part, because quite a lot of the regional business plan is [er] posited upon increasing visitor numbers and Ickworth is one of the properties that has very stretching targets for increasing visitor numbers, because the Trust, having put all this investment in, wants to see some return. And because there is potential for growth here. So actually, we are actually carrying quite a lot of the business plan for the region here.
LS:	because you have the scope and the space to have more people.
KC:	yeah and we've had the investment to deliver and the basement project, the Real Lives, is yet another step of that, you know its refreshing the offer, its engaging the people, but its also delivering a certain number of new visitors, building audiences etc.
LS:	so that hopefully any income benefit from having more visitors will come as a secondary thing, that you've engaged people, you've inspired them, taught them, and then they come and spend money.
KC:	I wouldn't say it was secondary, its all in tandem. All these elements [gestures to the objectives in the NT strategy document] are together. Every big project will cover all these elements, and that's certainly true of Real Lives.
LS:	in terms of the money that you generate, can you spend it how you would like to spend it?
KC:	yes and no. I have a target I have to reach, last year I think we made, I think it was £160,000 surplus, I don't then get that back as a pot for me to spend. If there are things we want to achieve on the property, they have to fit into the property management plan, they have to fit into the regional business plan, we then essentially have to make a bid for project money so our operating costs, you know, we cover, and, you know, we agree a budget for the operating costs, a very very detailed budgeting process which takes forever every year also at budgeting time we put in requests for fixed assets – a new kit or whatever, and we also put in project applications, now, its highly unlikely that Ickworth's going to get any project allocation apart from Real Lives, because so much money is having to go into that, but that would be the process. So say for example I wanted to build a new learning centre, you know its not simply a question of keeping my £160,000 surplus from the previous year, because every property has demands, you know, every property has essential things that have to be done, and our first call always is the care and conservation of our properties, so always you know making something wind and water proof will come before something less important.
LS:	Does that come under operations though? Would basic conservation be seen as a project?
KC:	both you see, it depends how you approach conservation. So [um] for instance the house manager has operating budgets that can cope with sort of I don't know, you know minor repairs to something that gets broken, or whatever, but [um] there will also be [um] ongoing building maintenance projects, which are part of operating, there's cyclical conservation budgets, so things like, you know, five yearly fixing the something or other, or painting the building or whatever, but anything big involving big major building works, so for instance this winter we're re-roofing the west-link corridor, which is a big project, its going to last months, that requires major project funding, that can't be accommodated within ongoing maintenance or operating budgets
LS:	but basic repairs

KC:	basic repairs, yeah that's a sort of general operating stuff, hopefully, but it never is, something like this just eats money and no budget holder has ever, ever yet told me they've got too much money in their budgets
LS:	so its when you agree that operational budget each year you just have to include the numbers of stuff that you need and the amount of money you need to cover it
KC:	absolutely, include things like regular wages, seasonal wages, contract labour, some allocation for buying new bits and pieces, [looks at house manager's operational budget list] ok so the house manager, he's got things like regular wages, seasonal wages, staff uniforms, volunteer expenses, travel and subsistence, utilities, appliance testing, window cleaning, IT, communications equipment, charges, postage, sundry expenses, you know, so all the sort of general stuff that every budget holder has.
LS:	in terms of the two wings, have you had to employ more staff to cope with those or are they completely self-contained and they employ their own staff and you just continue to exist?
KC: (40.36)	<p>[um] both. The hotel is set within its own curtilage and it's a self-contained business if you like, which doesn't in many respects, it does in some respects, impinge upon our day to day operation of the rest of the property, however the West Wing is an entirely different proposition, and part of the step change for Ickworth has been to develop a new staff structure for Ickworth, which has taken many many years, many permutations and many frustrations, when you never get exactly what you want. At the moment we have something called an interim staff structure, which was put in just prior to the West Wing opening, and it was aimed at giving us the basic infrastructure to enable us to cope with the enhanced levels of activity. This has involved creating a new department called the commercial services department, and we're the only National Trust property in the country that has a commercial services department, a new department head, a new post was created called Commercial Services and Contracts Manager, that's my colleague Phil Saunders who's on holiday at the moment, and his function is three-fold, basically to act as a facilities manager for the building, to head up the visitor care side of the property's activities, so pulling together some already existing functions and bringing in some new ones, and also to be the day to day contact with the commercial partners, Sodexho on one side and von Essen on the other. That is the theory, as its worked out, Phil and his predecessor, have been so wound up with the facility management side, and the working on the relationship with Sodexho side, they haven't really, I haven't yet handed over the hotel side to them, so I am still looking after that.</p> <p>The facility management of the building was extremely challenging when it opened, for lots of reasons, and it took us a year, probably, to work through all those problems, and the operational challenges of working with a commercial partner are constantly challenging for Phil and for myself, and for the front line staff as well, in a good way, you know, I am not being negative about this, its been very good.</p> <p>Below Phil we've pulled in the various other functional heads, so that Head of Commercial Services, looks after various functions, so we have, he is responsible for a Learning and Interpretation Officer, and her staff, for Events and Marketing, and her staff, for Visitor Services, and for Retail. So its basically all the front line, income generating, elements that are within the that department Head, so that's the commercial services department,</p>

	we also have three other departments, which are: The House, led by the House Manager and his Staff, who have the care and conservation of the house and its contents, Head Gardener and his staff who look after 70 acres, and head of park and forestry who look after the rest, the other 2000 acres or so. There's also, so they are my line, my direct reports, who directly report to me. We also have an admin function as well, which I tend to look after directly. And we have about 200 volunteers, which is a mammoth organisational task, as you can imagine, managing all the volunteers, who work in every department of the property,
LS:	and they are assigned to a particular team?
KC:	[nods] I mean they sign up for different things, so the bulk of them work with Neil and the House staff, because every time we open to the public we have 13 volunteers, we cannot, we physically can not open the house without the volunteers. And they tend to be older people, but we also have people who are perhaps working up to their first degree or between their first and second degree who want vocational experience, who will work perhaps with the foresters or gardeners, we have learning volunteers, who are perhaps former teachers or head teachers, you name it, we've got them. We have people doing specialist things like environmental surveyors, who are looking at oil tank bunding on the estate or watercourse management, or deer management, you name it we've got it probably, so to answer your question, sorry to get back to your original question, yes we had to review the staff structure, we had to put in a new structure to support our enhanced level of activity, and all the demands upon it, and, running to new building.
LS:	and you needed to, I assume, employ more staff in order to do that
KC:	yes, not many,
LS:	I should imagine all the leaning and interpretation all that stuff, you would have had already,
KC:	yes, but we've managed to boost, I mean its, you know we've never, our problem was, actually, that we had to provide the infrastructure to support the new level of activity, before we had the income stream, and that's been the key difficulty of keeping everything going, now we are getting the income stream, our regional colleague, the financial manager has said if you need new staff then as long as you can pay for them, then you can have them, and we've certainly been, well we've had to expand our seasonal staff, for instance, because of the enhanced levels of activity, but you know, we're also making more income as well,
LS:	so its still, the income is still outweighing any costs to your organisation
KC:	well
LS:	or it has finally reached a point where it is
KC:	well not quite, because the actual payments are phased and we're moving between, the longer the relationship goes on, then the more money we get, basically, so we haven't yet reached stabilisation, but the property as a whole is running at a surplus, which is partly due to the rental income stream, but its also due to the income streams from many other areas as well.
LS:	What are your main areas, you mention them a couple of times, but I...

KC:	well, from visitor admissions, so as you know the Trust is a membership organisation, and we have a system of member credits, so every member who comes into the property, the property gets £2.80 per head or something, so we record all the member visits, then there's the non-members who we sell tickets to, there's the secondary spend from retail and previously of course catering, but we don't directly have our catering opportunity now, so secondary spend from retail, there's things like events and activities, there's farm rents, and agricultural rents, cottage rents and things like farm business tenancies, there's investments, so you know there's a sort of menu of income streams,
LS:	and are those broken down in your accounts?
KC:	yes,
LS:	is it possible to see those?
KC:	I don't know, I'll have to ask again, this may be confidential information,
LS:	that's fine, what I might do is drop you an email with things that come up that it'd be interesting to see,
KC:	yeah if you do that then that will remind me
LS:	and then you can check whether its all right or not. I don't need to see specific figures, it would just be interesting to know what percentage, like if you get 90% from your admission and then, it would just be very interesting to know that
KC:	[laughs] we don't sadly
LS:	[laughs] no I am sure you don't, it would really surprise me, but I think that's what I, you know, if most of your income is coming from the tenant farmers than that's quite interesting to know and to understand, so even if its just the percentage as opposed to the actual figure, that's also fine.
KC:	well, events is interesting because its in a bit of a state of flux at the moment. Any activity should support our core purpose and should fall within one of these [gestures to strategic document] areas, however, as far as I am concerned, events should either be a commercial proposition, so we're making money out of them, or if they're not, we do them because they're fulfilling the strategic requirements of engaging supporters, so they might be aimed at developing a new audience group or working with a particular market segment, or whatever, or both and at the moment our events programme doesn't quite fit into that neat category, we have a spreadsheet which basically sets out the profitability of each event, and it's a profitability level that we, you know, if its not bringing in a 30% return the really we shouldn't be doing it, for the commercial ones, and overall the programme should wash its face and that's what we're working towards, I wouldn't say we're there yet, actually.
LS:	I think that's very common, I think a lot of people perceive events as a way to generate income, but sometimes the costs of putting one on and cleaning up afterwards, out weigh the benefits. And that's on of the very difficult things that I suppose my questions are leaning towards, that I am trying to bottom out how much of the conservation of the building and the grounds and ensuring that it can remain open to the public, is covered off, so that's what I mean by, that's why I said that the events were additional.

KC:	But its minimal, you know, in terms of the running costs, the operating costs, of this property, any income we get from events is minimal. I think we budgeted for, ooh I don't know, something like £18,000 this year, profit if you like, from events, but you know, it costs, 1.4 million to run this estate, so its minimal,
LS:	and in terms of the running, its just the operating costs? So not including putting on the events or anything like that, those are outside the 1.4 million?
KC:	I'm sorry I don't quite understand what you mean,
LS:	sorry, in terms of the, the cost of the core activities, so
KC:	no, the 1.4 million would include the costs of running the event, its all our expenditure, whatever it is,
LS:	Its just one thing that I've come across in my reading is that a lot of organisations have difficulty separating, because their operational costs include things like putting on the events, its very difficult to work out the profitability, because, its actually, well we've employed the person anyway,
KC:	exactly, and you know we don't really do that scientifically enough and the other difficulty is that we have events which, I mean some events are ticketed events, so that's pretty easy to work out how much money you're making from them, but we also have other events which, in inverted commas, are free events, in that people pay their park and garden admission, but they wont pay extra money to get into the Garden Games event, if you like, but those events will increase footfall through the property, and will increase secondary spend, from the shop and catering, so I am working with Phil, my commercial services manager, to try and work out how we can actually capture that bottom line advantage, how we demonstrate that on that particular day, you know, we've had an increase in footfall, which has generated x income in secondary spend, so yeah, its an interesting area that we need to be more smart about, actually.
LS:	Its very challenging
KC:	you ought to come and meet Phil because he's got lots to say about that, he's on holiday this week.
LS:	you mentioned before the criteria that you had in terms of selecting the appropriate activity for the East Wing, would you say that these would now form your criteria to some extent of deciding what else, you know, in terms of the West Wing, it was trying to fulfil those basic four criteria?
KC:	everything that we do must fall within these strategy criteria and even back in '97 or whatever when we were devising the criteria for the hotel, those too fall within this, its not rocket science,
LS:	were there any other restrictions on what you could do in terms of,
KC:	with the hotel you mean?
LS:	yeah or generally, Listing or are you restricted as to how much income you are allowed to generate? Legally or anything like that?
KC:	no [laughs]
LS:	if you have charitable status it can be very difficult, there's only a certain percentage you're allowed to earn...

KC:	we do have charitable status, yes, and that's why the National Trust has a trading arm, National Trust Enterprises, and yes, obviously we're subject to charity law, so there are restrictions to do with that, the other restrictions are things like, obviously planning law is restrictive, and there were many other, you know a very key part of both projects was making sure that other stakeholders and interest groups gave their approval to the project and we had many a hairy meeting with people like the Garden Conservation Society, the Georgian Society, the Victorian Society, the Suffolk Preservation Society, all the local parish councils, all the local community centres, you know, going through all those different processes to get as many people signed up to our vision for Ickworth as we could and that's an ongoing process and that's partly what I was doing yesterday with the groups that came in and it's what we'll be doing with HLF and it's what we do all the time with everybody really,
LS:	were there any restrictions in terms of the government mortgage you mentioned before and the fact that this was given to the Trust in lieu of inheritance duties, in terms of that history, did that come with any constraints in terms of what you're allowed to do here?
KC:	Well, [um] when a property is given to the Trust very often there is something called a Memorandum of Understanding which sets out the wishes of the donor, and in Ickworth's case there was a Memorandum of Understanding and it included a provision for, should they desire, the family to live on the property in rented accommodation, now it so happened that the 7 th Marquis didn't desire to live on the property and that was the opportunity the Trust had to buy back the residue of the lease from him so yes, you know, every property will have different restrictions. Another one I think for Ickworth is that this was a sporting estate and we still have shooting licences for part of the estate for instance, which the Trust would wish to continue because it reflected the wishes of the original donor,
LS:	and does that memorandum still influence the stuff that you do? Or is it very much seen as historic.
KC:	well there are some things that, it is historic but it's also, it's quite touching really you know the Trust is an honourable organisation in that sense and it will always strive to fulfil the wishes of its donors and that's why there's been all the fuss about hunting, and hunting with hounds, you know, because, in some people's views the Trust has reneged upon its agreement with whoever gave them the Hall or whatever it is that stag hunting went on, you know, but really the wishes of the donor should all be encapsulated within the Statement of Significance, for the property and for the vision and for the long-term aims of the property.
LS:	and your statement of significance, was that developed in '58? '56, whenever?
KC:	I don't know whether the Trust had statements of significance in '58, I mean I wrote it in '96 or something and you know it gets amended, it's been amended a lot, with all the different stuff that's going on at Ickworth, I have just amended it for the current property management plan review, and I can certainly send you a copy of that.
LS:	I'd be interested to see the old one, with the acknowledgement that it's the old property management plan, because you are in the process of rewriting it at the moment, it might be, in terms of my timing, beneficial if I can just see the old one, and just acknowledge that it has been rewritten, would that be problematic or would you prefer me to wait until I can see
KC:	I've literally got to finish it next week, so you may as well wait, for the new, well it might be a draft, but at least it will give you the. But put that on your list.

LS:	I will, I have a list of the types of documents that would be interesting, so I will definitely email that to you, a lot of my questions have been covered so is quite good.
KC:	good 'cause I am flagging here – I might have to go and make another cup of tea
LS:	just a couple more questions, and then we'll finish off, I am aware I have already taken up quite a lot of your time. You mention you've got the National Trust Enterprise which runs the retail and the catering at other sites,
KC:	yes
LS:	in terms of your tenancy and rental agreements, does that have to go through National Trust Enterprises as well, or is that just direct to Ickworth?
KC:	no that's, [er] well, its direct to the National Trust lets say? The Trust has a central, its called now Rural Surveying, its basically land agents who sort out the technicalities of tenancy agreements with tenants and we have a regional rural surveyor, so he is one of the regional specialists who as property manager I can call upon to assist me with any tenancy issues or problems, so for instance we've had a cottage tenancy that expired at Christmas and the tenant wanted to continue it and then we had to think about the basis upon which that agreement may or may not be continued in the future, so things like that.
LS:	ok, so advice, but in terms of the financial income it can just come directly to the National Trust
KC:	well it comes into the bottom line of the property, but the actual process of raising the invoice and determining the level of appropriate rent and then raising the invoice, and the actual mechanisms of it are looked after centrally. The actual figure, the actual sum of money comes into my bottom line.
LS:	and so therefore, in terms of the management structure, your only agreements are contractual agreement with tenants,
KC:	we don't have an internal service level agreement with National Trust Enterprises if that's what you're asking, it'll be good if we did.
LS:	In terms of the management structure, the National Trust has a local management of Ickworth and they have contractual agreements with tenants. There's no additional legal body or a trust or governance body that sits in addition to those or anything? There is just the National Trust that runs the property and its tenants agreements and an agreement with National Trust Enterprises to run its retail.
KC:	yes. Now if you want to get into National Trust Governance, again there's reams of stuff on the internet site about how the trustees work, and all the rest of it.
LS:	its so, I have to say before I came I did go through their site quite a lot and it 's just so complicated, I mean I just found it quite inaccessible

KC:	it is, yeah, I agree. I mean the Trust has lot of different layers of advice and there's a regional committee, which you know are not paid, they're the great and the good of the region who bring their whatever expertise for the good and benefit of the Trust, they're not paid people, and then some properties might have their own management committees, so for instance Hatfield Forest, just because of the way that property was set up historically, it has historical in inverted commas, management committee, we don't fortunately. We're fairly straightforward. And there are lots of other layers of technical advisors, not just regionally, but centrally, so for instance there's a central gardens advisor who will come and advise about policy and practice, but its advice and you don't have to take it, its there to help, but you'd be a fool not to, probably.
LS:	well thank you so much for giving up your time, I really appreciate it. I feel that I probably still have got a lot of questions, but I think it's probably useful in terms of your time, for me to go away and digest this and process the information
KC:	you can always email me
LS:	well thank you again and I will be in touch.

Interview ends with Laura thanking Kate Carver for her time and support.

Appendix 2: Dr David R. Prince, Interview Transcript

Interviewee: Dr David R. Prince, Director, Prince Research Consultants (DP)

Location: David Prince's Office, London

Date: 21 July 2008

Interviewer: Laura Samuels (LS)

Recorded, then transcribed.

Dr David R. Prince is the director of Prince Research Consultants, a company specialising in strategic planning for the cultural heritage sector. In this position, he has overseen over 600 projects, including the Ickworth House development and the establishment of the Ickworth Hotel. He is a research fellow of the Institute of Archaeology at UCL and a visiting lecturer in Heritage Management at the Ironbridge Institute, University of Birmingham, and the University of Gothenburg.

The interview began with a brief introduction by LS outlining the purpose of her research and her objectives for the interview. LS discussed the semi-public nature of the Report and talked about confidentiality. LS also discussed the desire to record the interview and DP permitted the recording.

LS:	Could you start by outlining some of the key aspects of the development process that you feel that made sure that the commercial activity meet the objectives of the National Trust's mission?
DP:	<p>The key thing was looking at what could possibly happen on the Ickworth Estate that could be used to financially underpin it, that didn't go against any of the national National Trust policies or regional policies. And that essentially mean that a large potential for development couldn't happen, there as no area within Ickworth we could sell for housing and there was no area within Ickworth that could be used for overtly commercial purposes, other than those were being currently used such as the 30 odd properties on site which were leased to other people, including the farmers, and the house and associated buildings including the stable block and the old garages, and the walled gardens, which at that time, and I am talking about before we started, were largely inaccessible to the public, the main house was completely inaccessible, and so was the garage and the gardens and although people could get in, they weren't encouraged to go in.</p> <p>So any development had therefore to fit in with what the spirit of the place was about, and the place essentially was a large historic house, with a central area that was always open to the public, in a sense, the rotunda, the main entertainment part; a private residence, which was the East Wing; and the 4th Earl had the ambition to create an art gallery in the West Wing, but that didn't happen. And so we went back to first principles and we did a very substantial options appraisal study with the National Trust, which looked at about 40 different options for the building, ranging from simple storage of National Trust objects, through to a commercial use.</p>

	<p>And the commercial use could have ranged from, converting the East Wing into private residencies and leasing them, freehold sale was out of the question, obviously, converting it into offices and leasing them, restaurant and leasing that, and so on. But the basic spirit of the place meant that it should be a permanent residence, but one that used to entertain lots of guests, because the East Wing was set up to entertain large numbers of guests, it had about 14 bedrooms already, much more than the family itself needed.</p> <p>And so on that basis we thought that the best thing to do would be to look at a hotel development, which would serve the purpose not only of using the building almost as it was designed, I mean the kitchen spaces were huge, there was already 14 bedrooms and so on, which could be made into more by splitting them, without damaging the grade 1 Listed building, and that would then provide the necessary income, if all went well, to fulfil the other parts of the estate which included a vineyard, and various things for the public, active farms, over 2000 acres.</p> <p>So that was the principle behind it, it was to go back to the original purpose of the building. And we had in mind to call the hotel 'The Residence', at the very beginning, which we thought was quite nice. However, we also thought would a 15/20 bedroom hotel on that site necessarily be profitable in its own right, even if it were 5 star, so we added two components to it, first of all it was essential that it had a very good restaurant, and to give that the edge, to other restaurants in the area, bearing in mind its quite close to Bury St Edmonds, its quite close to Newmarket, we wanted it to focus as far as possible on local produce, and by local that meant within the estate, Ickworth is fortunate enough to have its own vineyard, so you could serve local wines, both red and white, and with 2000 acres of farmland you could produce most of the meat required from the entire estate.</p>
LS:	Was that part of the agreement with the hotel, that they could only, or as far as possible serve local produce?
DP:	yeah, it was part of the agreement that they should use reasonable endeavours to use produce from the estate. The advantage of the Ickworth estate is its organic, so its organic wine and its also organic produce. So that was definitely part of our thinking.
LS:	so, by putting that there it then ensured that the other tenants actually had better turnover and therefore could afford to rent...
DP:	well it also meant that, it did 2 things. By putting that in it meant that you weren't necessarily, almost certainly going to get a standard hotel operator, such as Hilton, Great Western, or somebody else, because they would come in with standard menus, standard suppliers, national purchasing and so on, so it meant that we were going, that and the fact that the rooms were of a non-standard size, meant that it would have to be some sort of a bespoke hotel and I think that was important. The other element we used to increase profitability was to get more rooms, because even at 20 rooms it was not going to be profitable to anybody, so we extended the accommodation to include the lodge, which is now called the lodge, it was, and always has been the Dower House, because it was where the Dowager lived, when the main family lived in the East Wing. Those two together gave the necessary rooms and it also meant that with the local emphasis it gave a bit of a quirky feel to it. But very high end of the market.
LS:	so I can see the benefits of a hotel that uses local produce, and its organic, whatever, but was it also thought out that that would help to sustain the other businesses on the estate which will then in turn ensure the continued rent coming in from them?

DP:	well it would be, because also, you see, it would, because if the farmers could guarantee that they were going to sell 35/40% of their sheep or lambs to the hotel and we were going to buy 40% of the wine, whatever, obviously it makes it much more sustainable for them. And therefore they could be looking to invest in the long-term future of their own businesses. So that was a factor, yes.
LS:	and do you have the criteria, because she [KC] mentioned that there was a table where you have all the different options and then you had the criteria and ticked and crossed accordingly...
DP:	yes, I'll give it to you.
LS:	were there loads of restrictions coming in from outside?
DP:	yes
LS:	She [KC] mentioned there was quite a difficult time with the planners, getting the planners to agree to stuff, were the National Trust wary of doing such a thing? Or were they supportive?
DP:	<p>well there was four main elements we had to convince it was worth doing. One was the National Trust itself, I'll deal with them last.</p> <p>Secondly there was English Heritage, because it was a Grade 1 Listed building and Grade 1 Listed landscape, and consequently how we put any form of intrusion or whatever was very important, and the Dower House was Grade 1 as well. So that involved a lot of work with them in terms of what insertions we could make, all insertions had to be reversible, which they are. So you could take out the partition walls and basically you'll get back to the same large bedrooms you'd had originally.</p> <p>The third element was English Nature because the estate itself is very important in terms of natural history particularly in terms of its oak trees, they're a standard type oak, and there aren't many of them left in the UK growing wild. There's also some French oak in there as well.</p> <p>And the forth was the fire brigade, because developing the building as a hotel normally involves putting in a lot of fire doors which would spoil the ambience and also getting fire engine access.</p> <p>We also wanted to have a separate entrance to the back of the hotel for deliveries so they didn't go straight up the main drive, and that meant a new road, and that was probably the most problematical thing to do because it involved going through a well established medieval landscape, the road had to be redesigned after we found the base of a mill on the route that we'd planned. It also went through some mature trees, and so we spent a lot of time walking the course of it and discussing with the planners, however it worked out ok in the end.</p>
LS: [12.32]	so you had to do some sort of archaeological investigation as well as a conservation management plan?
DP:	yeah we had to do a full conservation management plan, of the estate and the buildings, and we also had to draw where the road was going to be and do an archaeological assessment of the impact of it, but we actually found a couple of medieval buildings, which weren't known to be there, as part of that and then snaked the round around it. So when you go to the estate, it comes off the road and turns left, and goes right, well that shape was determined by the archaeology either side of the road. It also means its quite a nice shape, but that wasn't what it was designed for.
LS:	and was there a lot of stakeholder consultation?

DP:	<p>yes. There was a lot of consultation at every level within the National Trust from main board level right the way down to the volunteers. Over 100 odd volunteers took a bit of convincing that this was the right thing to do. We also leafleted all the local population in Bury St Edmunds and the parish council, we held open meetings and issued press releases.</p> <p>Because we had to get planning permission for it, and the Local Authority obviously had to give planning permission, or change of use from residential to a hotel and English Heritage had to agree, we had to show to them that there was a lot of underlying support. We also wanted to show that anyway because we believed that as part of the work later on the Trust might want to apply to the HLF for funding for the West Wing, or Arts Council money or public money, therefore they needed to show public support for the entire scheme. So we put that in right at the very beginning. And one of the selection criteria was that the people of the hotel would have that sort of open spirit of inclusiveness with the local community as opposed to a large chain that would simply come in and obliterate them, because we happened to be Starwoods or Sheraton or whatever.</p>
LS:	<p>so the first part of the development process was identifying what the commercial development would be, and then it went on to identify an appropriate hotel chain, and I've got information on how that process was done.</p>
DP:	<p>how it was done essentially in a nutshell, was that we went out and advertised internationally and got over 200 responses initially. Then whittled it down. And there was a very big fall by the wayside, because of the restrictions on the development, such as those mentioned earlier. I think we got down to three in the end. Only one of which fulfilled all of the criteria.</p>
LS:	<p>you mentioned the forth group was the National Trust and that you would come back to it, how did you go about convincing them?</p>
DP:	<p>well they needed convincing in two ways, first of all that what we were proposing would actually make them money. The problem they had was that the only other building of substance that they were running as a hotel at the time was Cliveden, and their lease provided them with virtually no money, because of the way it was negotiated with the National Trust, and we were coming in with a lease that made a substantial amount of money, and the problem they had really was one of if they signed a lease, could there be financial stability behind the company they signed the lease with? Well obviously we got over that by the company providing performance bonds from their banks and getting independently checked and them verified by Price Waterhouse who did an independent financial audit on them, and also on our work. That was a big issue to convince them. Secondly, it was a decision that once they'd made it, it was in effect reversible. Because in order to get the money, that had to have a long lease, and once you have a long lease, if a project works very well then they're going to be there as a hotel for a very long while, if it doesn't work, and you've converted it into a hotel and the whole thing goes tits up, its very difficult to reconfigure the building, because nobody's got any money to do it, so convincing them it was the way forward with that level of risk, was interesting, and that was done at main board level, the Director General, Head of Finance, and their corporate bankers who I believe were Charter House at the time. So we had to convince them it was they way.</p>
LS:	<p>and what was it about the lease that guaranteed that they would actually make some sort of money on this, as opposed to the other example where they weren't?</p>

DP:	<p>well the lease was based on the turnover and it came straight off the top so, the other lease was based on profit, and any company that's worth its salt obviously hides quite a lot of its profit so it doesn't pay tax on it.</p> <p>This lease was based on turnover, with the Trust getting a percentage of the turnover of the business, on an open book basis, in fact they had to report every month, I don't know whether that still is the case now, on the turnover of rooms turnover of food, turnover of drink and they would get a percentage of that, right off the top, before whatever hotel chain it was, organised their profit and so on. And the advantage of that was that, even if they sold it on, to another group, they had to sell it on within the same lease parameters.</p>
LS:	<p>so they got a cut of the turnover, and therefore it would increase as the place became more successful. And were there any other restrictions put in, like they should strive to only use products from the estate, they had to protect the historic features?</p>
DP:	<p>yes and also that the hotel operator could use things like the Italian Garden after hours, for drinks receptions and things like that and that the National Trust wouldn't charge their visitors all over the place during a wedding reception. Things like that, so there were restrictions on both sides, which would maximise the ability of the hotel operator to operate, which don't forget was also in the National Trust's interest, 'cause if they made money out of a wedding, they would get a percentage of that as well. They got a percentage of everything that went on.</p> <p>There was a decreasing scale to the National Trust, which would therefore give an incentive to the hotel operator, I can't remember what the percentages are, but it may have been 10% of turnover up to a certain limit, then 9% then 8%, so the National Trust money would still go up, but the hotel operator would get more money and would therefore be encouraged to do more profitable things.</p>
LS:	<p>and do you remember if it included an guidance on how the relationship should be between the National Trust and the hotel operator once it was up and running?</p>
DP:	<p>yes, it was going to be that there would be regular management meetings between the National Trust and the hotel operator, not just in terms of this is what we're planning next month, but also looking at how we can work together to do this, if we do a residential course on this, can you do subsidised rates on the lodge because its in the middle of January and nobody's coming to the hotel. And they were supposed to be regular meetings, I think every quarter, with Kate [Carver] and the others.</p>
LS:	<p>in terms of the meeting of the mission and the hotel, some of the obvious opportunities in regard to the mission that I saw were different audience groups being attracted to the site, that wouldn't necessarily be turned on by a National Trust property.</p>
DP:	<p>opening up the...</p>
LS:	<p>opening up the East Wing which had previously been in private hands, making it publicly accessible.</p>
DP:	<p>and you can go in now, just to sit down and have a cup of coffee, so you don't have to spend 200/250 quid on a room.</p>
LS:	<p>it also enables to rest of the tenants on the estate to be more stable, by being more sustainable businesses.</p>

DP:	yes and it secures the long-term preservation of the fabric of the East Wing, because the National Trust would have had to have put money into it, because it is a Grade 1 Listed building, and [without a use] at some time they would have been issued with a notice by English Heritage that they weren't looking after it very well. And that's not just the main building, that also included the stables, and a house down by the stables, where the chauffeur used to live, and all the garages and those are all now under the remit of the hotel. The stables are stables, but the house next to it is let-able. There was an idea that the hotel manager or the duty manager would live in it. But there's also collateral benefits, the hotel operator bought three houses in Bury St Edmunds to house the staff, they had a choice whether to house the staff on site, but there wasn't really much room, because we proposed that every room was used, so they bought three terraced houses and knocked them together for the staff so they now have a base in Bury, they run them up and down in a minibus, because its not very easy to get to at half past 11 at night, when you've just finished waiting on tables, is it?
LS:	The refurbishment of the property in order to turn it into a hotel, that was all paid for by the hotel chain as well, yeah?
DP:	yes.
LS:	did the National Trust have to put up any cash up front at all?
DP:	no. only for our work.
LS:	So in order to identify an option and then identify the best supplier, they had to pay for that.
DP:	the National Trust had to pay to the point of getting a preferred operator. They paid their own legal expenses, they paid their own financial expenses, in terms of the due diligence work of Price Waterhouse. And they paid our fees. Our work included design guidance notes for the architects who the operators had to bring in.
LS:	but they paid for that.
DP:	they paid for that but we assessed their bid against the design guidance notes that we produced.
LS:	and a ball park figure for how much the National Trust had to fork out?
DP:	about half a million
LS:	that's quite a lot of money.
DP:	well its not when you consider that the net present value of the deal was about 17 million, that's what they got in,
LS:	but the hotel operator, did they have to pay to come in?
DP:	well there was an idea, that's called a premium, we did try to get a premium, but the amount of work required on the building (5-6 million) and because they wanted, for example, to put that swimming pool in, meant that the National Trust chose for them to spend their money on the fabric rather than give them [NT] the premium.
LS:	so the only money that came in from the hotel was the rent once the hotel was up and running.

DP:	yes but the opportunity costs that they'd just got rid of ran into millions of pounds, because the National Trust would have had to refurbish the entire building, at a cost of whatever it was. [recording 3] Not getting a premium they effectively saved 3 or 4 million pounds by handing it over to a third party developer.
LS:	It's a 99 year lease isn't it?
DP:	yes
LS:	Going back to the mission, so in terms of heritage 'for ever's, that's a pretty big forever.
DP:	well its more than the perpetuity period. Which is 80 years and a day. When you say something is going to be preserved for the nation 'in perpetuity' that means for 80 years and a day, in law.
LS:	is there any down side to this?
DP:	an obvious downside is that the Trust isn't in complete control of its own building.
LS:	She [KC] used the work 'impinge' twice in the interview and I felt that was quite a strongly... that it has negative connotations to it, do you think that's me being over sensitive?
DP:	no I don't. I imagine that the National Trust if they are in total 100% sole control over their entire estate, other than the leases that have already been given out, then they could do something with the main house which they now cannot because they do not have unilateral rights of access over everything. So that would restrict their potential.
LS:	I think it definitely effects events. And it definitely makes things difficult in terms of their new West Wing development.
DP:	the point is there would be no West Wing development without the Hotel. Or, all the profits from the West Wing would have to be spent on a derelict East Wing.
LS:	was anything done outside the estate?
DP:	no, but the sort of people the hotel attracts are high-net worth young people who have money to spend and spend their money in the local area. I am sure the takings from the local pubs, restaurants and shops has gone up.
LS:	did you do an economic impact assessment?
DP:	no, we weren't asked to do one, but actually it would have been very good to have done one, because I'm sure its had a substantial impact on the area.
LS:	any last thoughts?
DP:	the only thing I would add was getting everything done in the right order, taking it step by step, the options appraisal, the conservation plan, the business plan, the tender process, they all had to take everybody along with them, all at the same time, so getting it done in the right order. The half a million pounds that they invested in doing this properly, compared with what they are getting and what the value is, isn't very much. And it was a risk to the National Trust, and they did well to do it.
LS:	Would you have done anything differently?
DP:	No.

Interview ends with Laura thanking David Prince for his time and support.

Appendix 3: Dai Morgan Evans, Interview Transcript

Interviewee: Dai Morgan Evans, Former General Secretary of the Society of Antiquaries of London

Location: Dai Morgan Evans's home, Surbiton

Date: 29 July 2008

Interviewer: Laura Samuels

Recorded, then transcribed.

Dai Morgan Evans is the former General Secretary of the Society of Antiquaries of London. Under his leadership, SAL was computerised and its online presence was established through the creation of websites for both SAL and Kelmscott Manor. Dai was also the driving force behind the creation of the online retail. Today, he is the Visiting Professor of Archaeology at Chester University and continues to research and write about his specialist interest area of Early Medieval Archaeology, particularly of Wales and the 'age of Arthur'.

The interview began with a brief introduction by LS outlining the purpose of her research and her objectives for the interview. LS discussed the semi-public nature of the Report and talked about confidentiality. LS also discussed the desire to record the interview and DME permitted the recording.

LS:	Can you explain to me how the Lucerna Company came about?
DME:	The basic reason for having a trading company, is most charities are not allowed to trade, so therefore if you are going to trade you need to set up a trading company. So we followed the advice of Kingston Smith who were our auditors and general advisors on that, that we set up a separate trading company. There were concerns at the time, naturally, that, and this was particularly from people who had been working at the British Museum, or were working with the British Museum still in some cases, because they felt that their trading company had gone out of control, and that there was lack of product control and that they were doing their own thing and it was not in the best possible taste, etc etc. and so control mechanisms were put in place, I think there's only one shareholder, which was the council of the society, or the president, so that was constrained, and that council would appoint 3 directors, so that the council of the society's trustees would always have close control. Now I think that's probably the same in theory with the British Museum but its just that the Trustees of the British Museum don't seem to have the same thing, I don't know, but. So that was the starting point. And it was Kelmscott particularly that needed it. And so the idea is that your trading company cannot trade at a loss, well it can do, but the Society cant bail it out, it has to be free standing and totally independent so if it crashes then the Society cant divert capital to it, and if you lend capital to it, it has to be at commercial rates of interest. It was thought whether to set up a trading company just for Kelmscott, but then it was decided that the Society itself might want to go in for wider trading and also have somewhere which we could switch to rapidly, because for example, with the production of books, that's generally taken as a charitable act, because you're not making very much money on them, in fact they run at a real loss if you do it as a charitable activity, but it's a slightly grey area at times.

	<p>And so it was good that there was always a trading company set up and ready to go. So the Society just had the one trading company.</p> <p>The thing that took most time, in a way, as always, sorting out a name, the name Lucerna, that means light, which was taken from the seal or badge of the Society, which is the lamp with the light of knowledge, so that's where the name came from. That was registered and set up and started working. And the idea is that any profit that Lucerna makes after paying its expenses would be covenanted to the Society as a charity.</p>
LS:	so any profits would go to the general fund to support the Society as a whole?
DME:	yes
LS:	and how much of that would go back to operating Kelmscott?
DME:	well the Society is peculiar in that it is a charity, but it has within it certain subsidiary charities. Are you aware of the origins in how the Society got Kelmscott?
LS:	yes loosely
DME:	<p>well just running through it quickly, it is published somewhere if you want to read it, William Morris's wife's will, Jane Morris, in her will left Kelmscott Manor to Exeter College, where Morris had been, Oxford, or the university to be occupied by a suitable person and as a last thing she made the Society of Antiquaries as a residuary legatee, to set up a fund for the preservation of ancient buildings following the Society for the Preservation of Ancient Buildings guidelines and that's how the William and Jane Morris fund, which is a separate fund with fixed capital, you know preserved capital, but the interest can be used for churches. The University of Oxford didn't spend any money particularly on Kelmscott but let it out at peppercorn rent to various academics and so the place wasn't open, the trouble is, it's outside the borders of where you need to live to be an academic in Oxford, you have to live within so many miles, and so it was a bit of an embarrassment to them in a way, and eventually, and I'm not quite sure how it worked, but there was a High Court case, whether they were trying to get rid of it, or sell it, or something like that, but there was a High Court case in which it was found that, and I cannot remember the reasoning now, but that Jane Morris's will was invalid in the aspect of leaving it to Oxford and therefore Kelmscott became part of the residuary estate and therefore came to the Society. And the Society instead of selling it, which they could have done, and investing the capital in the William and Jane Morris Fund, decided to keep it. And luckily at the same time as that was happening, Joan Evans, Dame Joan Evans, first woman president of the Society, had a friend called Elizabeth Minette who was made a fellow, gave the Society in Sun Alliance shares or something like that, about 2 million pounds with the understanding that that would help with sorting out Kelmscott and endowing Kelmscott, so Kelmscott was given a sort of endowment, it then had quite a lot of money spent on it being repaired. It then wasn't really open to the public, it had tenants who would show round, I think for one time... it had very limited and amateur opening hours. And this went on until the last of the official tenants went and they then decided to get in house keepers – Don and Mary Chapman – and so they lived on the premises, they were ex-school teachers and started showing people round, and the visitor teas came in and visitor admissions, and the guidebook was improved and basically there's been a kind of step-change all the time in improving public facilities and opening it up. At one time it was totally undreamt of that children should be allowed near the place, but now that's come in.</p>

The difficulty always with Kelmscott is that it is a small property, so it can only take a limited number of visitors and we've had advice from the National Trust about sort of floor loadings and things like that. And especially for people going into the upper storeys. And the last time I had anything to do with it, it was a maximum of 13 or 15 thousand a year, under timed ticket. So this is where that besides the admission fee we were trying to generate income from other things so the catering side grew, the shop side grew from just a few things. And I must say that part of the mail order came not only [...] because we were quite keen on technology.

I mean when I joined the Society in 1992 there was one computer in the building, two maybe, and then the building got flood wired and points put in and everyone got computers and then we started getting things online and email etc etc and that's where we got portmanteau stuff like Salon, the Society newsletter, getting that as a concept going, and then the online shop seemed to be very obvious because you've got limited opening hours, limited number of people that can come through, there's a stock and an image because you've got Kelmscott as William Morris and William Morris is very sexy and a sell-able thing.

There are stories, which are not apocryphal, but there was the Japanese gentleman, who landed in Heathrow, got a taxi to Kelmscott, kept it waiting there, went round the place, had lunch, shopped for a lot, arranged to get one of the carpets shipped back to him in Japan, and then got the taxi back to Heathrow and flew out again. Now that's the exception, but we were, because with the shop again you have to go there by car, or by coach in some cases, you have transport so people are far more willing to buy large items, and for example, there were some William Morris reproduction carpets and rugs, and it was amazing, you know £400 or so and people who come up and you would sell several of those or so of those a season, because people would go there, they'd see them in context, they'd see the fact that they could buy one of these carpets and because they've got their cars they can roll it up and take it away straight away.

There has always been tensions at the Society of Antiquaries over whether we should have Kelmscott or not. What is Kelmscott to do with a learned Society? Well it so happened that at the time it was coming in, the then president, Dick Dufty, who had been master of the Tower Armouries, before he retired, really loved William Morris and things like that and so he was, determinedly got Kelmscott into the Society, there was always an element saying we shouldn't be doing this, it's nothing to do with the mainstream of the Society, etc etc. Now, when I became general secretary, Barry Cunliffe was president, he said one of the first things he wanted me to do was to give him a mission statement. We did it and I did it by getting the relevant bit of the 1751 Royal Charter, "to advance, enhance and encourage, the study and knowledge of the antiquities and history of this and other countries". So that's neat and then from that, slowly, because there was a lot of resistance, at the time again there were a lot of people who had been in public museums, and things like that, and had suffered from management, and hated it and didn't want it, wanted to come into the Society and escape from that, so it was got in by the back door, I mean, not sneakily, but it got disguised and you used, well we didn't often use the word mission statement, you just said this is the statement of our founding principles, you know, same thing, just... and so both Kelmscott and the museum collections got fitted in, because the Society has a pretty peculiar collection, pictures, you know, lovely, the manuscripts you can fit in with the library, and then there's a big library, but there are all sorts of odds and sods in the museum collection, which again was just being sorted out,

	<p>and to try and actually accommodate those, its that the Society advances and encourages those by actually doing and so we can actually speak from a voice of experience, so that when we come to talk to government or to the National Trust or to other bodies, about running historic buildings and all the problems of historic buildings, we could do it because we've got a historic building, we're fortunate in that we have several million pounds worth of capital to put into the building if anything goes really wrong, and it would now be very difficult to sell the building, but none the less it does mean that you can actually say, we've done it, we know what its like, we've been there, we suffer with you, and because its not a big, huge country house, its more in keeping with a lot of the ordinary ones, we have the problems of actually converting buildings into shops, which are listed and etc etc.</p> <p>so we've been through that process and the same thing goes for the museum, we may have the big national museum people, but we also go to the smaller collections and say, we know what its like, we're registered as a museum, we've been through the small bits etc etc. so it was actually then getting the philosophy embedded in the Society, that you're not just about academic and studying and things like that, you do actually do own and suffer and go through all the problems of how you deal with the public and accessibility and because you don't get too much government funding coming in, it has to be sustainable, you have to try and work out how you keep this going without constantly running the Society's capital down.</p>
LS:	does Kelmscott have a specific pot of money that is used to maintain it?
DME:	<p>it has its own mini-endowment fund, which they gained because the Kelmscott Estate wasn't just the House, there were a number of cottages, one of the cottages, garden cottage, is right by the House and so that's kept, there's then a sort of paddock and two lots – the William Morris Memorial Cottages, and then there's Kelmscott whatever it is, which are built as social housing by Jane Morris as a mini Kelmscott, then there was a road across from there, I mean not a main road, but one of the tracks, and there was some cottages and those cottages I think, have mainly been sold off, I'm not sure, because they don't actually directly affect the setting, and the capital from that has gone into an endowment fund separately for the Kelmscott.</p>
LS:	So when you were working there did that sufficiently provide for the upkeep and the maintenance of the property, and was the profit from the catering and the retail just an additional benefit?
DME:	<p>No, to wash its face, it needed As a charity for the preservation of the Antiquaries, you have to try and maximise resources, so we were constantly having to raise capital or loan capital and pay capital back in order to go for long term viability. It was recognised that it was going to be very difficult for the property to operate and allow it to have lots of capital reserve, so it was always understood that the Society would sit there as a provider of the last resort. There was another useful lot of money left, which was left by Raleigh Radford, who left a million or a half a million pounds, it was a substantial amount of money, I know its less now, but at the time it was substantial, and he left it without conditions, so it wasn't constrained a to spend on capital or income, but he said that he hoped in a letter, that he hoped that the needs of Kelmscott and the Library would be borne in mind. I know for the library it paid for a substantial part of the capital costs of computerising the library index to get that online, because there was a pressure to break out of Burlington House, and to make the resources available. The money that went to Kelmscott went to do the Barn, cover some of the costs of turning that into a shop, or the south barn which needed re-roofing, which is a covered space where you can put chairs and have exhibitions.</p>

	<p>At one time there had been the Carter's House at one end and certainly there were plans that that would be suitable for converting into letting accommodation. I know we did one turn around with the Landmark Trust, and in the end they were wanting too much money. But I think under circumstances you can spend the money on converting and let the property because they'd be quite a lot of people who'd want to come and stay there and generate income there. But again, capital versus income flows, and securing it and the rental market, and it's a grade II star, so you've got constraints and the planning people were being fairly helpful over listed building changes, but then the financial balance is an interesting one.</p> <p>Because if you're going for the short-term let tourist type season, they're going to demand quite a high quality of accommodation, even if it's a Landmark Trust kind of thing, and you know you've got to get it right, which means you've got to have the staff on site, who you can be paying enough so they are willing to put their expertise into the letting of that etc etc. So part of the story has always been how do you maximise income.</p>
LS:	To ensure that it washes its face in terms of operation.
DME:	and by washing its face we did mean repaying capital, or if not repaying at least paying interest on capital, I mean I don't think, because it doesn't have, it broke the National Trust formula, the one they use for taking a property on, the endowment they need, it broke all those rules. Because although it's got some agricultural land, it brings in peanuts, 200 a year or something like that,
LS:	So the main sources of income are a bit of an endowment from the sale of the cottages, and then there's rented income from tenants of cottages, and then you have admission, onsite catering and retail,
DME:	yes, I don't know if they are still doing weddings
LS:	private hire
DME:	the insurance side of that it, I mean our brokers just went pale at the thought, so they may bring you in some money, but...
LS:	so with all of those it washes its face.
DME:	yes.
LS:	and actually brings in some money to support the Society on top of that, or just washes its face?
DME:	just washes its face, I think, I mean it may have changed, but I think, because it needs so much spending on it, always, now, things would have changed a bit, because of the floods, and the need to redo the kitchen and undo some of the conservation works of the 60s which is quite interesting, tut tut they put in concrete floors, it's interesting to see where things go. And it's very vulnerable. In the year [...] when was the foot and mouth outbreak?
LS:	2001?
DME:	well that caused a lot of problems locally as to get there you actually have to go through farms and one of the farmers was very upset, so we actually closed the place for quite a while, but you're still paying staff, because it was the beginning of the season, and even though it wasn't in one of the threatened areas, it was just the hysteria that was building up.

LS:	the National Trust did the same,
DME:	yes, but then we did open, amongst great mutterings, but you know, disinfectant barriers were put down and people were asked just to drive through, etc etc. At some stage when it was over, which, but that, I cant remember how many opening days we lost, but its quite interesting, it did lose, that was not a good year in terms of income, and if you look at the accounts, you can probably,
LS:	it would be interesting to know how the online sales fared
DME:	Did we have the online sales back then? I don't know, sorry
LS:	ah, but because they had the flooding last year, I could actually look at last years figures and see how the online sales fared. Do you remember, did the online sales bring in a lot of money in comparison to everything else?
DME:	not a huge amount no, it was a matter of principle for a start, there were various things that were going on, well having got a Society website, and all that sort of thing, it was a matter of learning, starting off in a small way, deliberately in a small way, we didn't expect it to bring in, but it was partly just being aware of the online sales, could become important. There was the concept, even before e-bay and all those things came on, so I was quite pleased with that, we actually got that online sales could become quite important, and that we should be in there. And it would extend the season,
LS:	so it almost fits with what you were saying before about having the expertise, that it was more than economically driven,
DME:	yes, well its part of the thing that if as a charity you are required, you wish to share, you wish to encourage the study of the knowledge of the past and there are various ways of doing that, and having an online facility must be one of those, I mean, you know, the thing that I am always quite pleased to cite is that in the 1770s or whatever it was, the Society, I mean the way that people were sharing was by producing prints of historical pictures and things like that, and so the original pictures could be seen by a few tens of people, these reproductions could be seen by a lot of hundreds, moving into the thousands, and the ultimate one is, if you've been to the Society, is the, in the fellows room upstairs, is the embarkation of Henry VIII, which is double elephant size paper, which is called the Antiquarian, I mean it's the biggest, right at the edges of technology at the time, you were right on the cutting edge, it was the biggest paper size that was ever produced, you know you start of with foolscap or whatever it is, and you end up with Antiquarian. That was their way of sharing, and there was the power of computers and the possibility, which took longer than I would have wanted, it still does take longer, the power of the computer to actually share, and get things out and break the boundaries, so it was just actually learning and playing with that and actually trying to find out, and the feeling that, because again we were always having to do it slightly on a shoe string, that you tried first of all and then it, and you do it in a modest way, and you ask around and you find, so its not like British Museum sales, being able to throw a lot of money at it, we weren't in the same league, but you could try and see where it went.
LS:	and was the packaging of the goods and the mailing was that all done...
DME:	that was done down at Kelmscott,
LS:	so there's no professional third party mail order company?

DME:	no, and again part of the idea is that, especially with things like Christmas coming up and things like that, you could have that sales, you've got staff who you are employing and amongst other things it just makes their use more cost effective. Terrible thing to say, but you know, or else, you can bring in somebody who is summer staff, but then you can give them a day's work a week in the winter. So it helps that.
LS:	and what's the process in terms of deciding what the products are, and what prints can be used and what's appropriate? Is there any restriction or is it anything goes?
DME:	no, well this was the worry and then again, I don't know how they do it now. In selecting the products for the shop, as your mail order products are merely going to be based on the shop, basically, rather than buying in anything especially, we would rather just sell what's in the shop, so the Kelmscott Committee usually had one person on it who would work with the staff in selecting and buying and generally approving and so it was, that it had to be in good taste and within the broad remit of William Morris. Now that does change a little bit in as much as, I mean what was interesting was that the cheery thief place mats, there was certainly quite a bit of argy bargy about that, in that the pattern, especially when it was shrunk down onto a coaster, some people didn't like, they said that was, you know, making nonsense of the pattern, and it shouldn't be etc etc. but I think because they're, they were being produced, so they were ok and again part of that was that you could actually, at Kelmscott you can go out into the little back yard and see the strawberry plants from which the birds were stealing things which gave Morris the inspiration so in the same way that the willow wall paper, you've got the willow trees outside and so you're trying to pick those elements up, I mean not faking them, because we know from what he said that that's where he got the inspiration from, so its quite nice to put it back into context, so, you would have that and things like place mats, you'd be buying those in from existing William Morris production things and so I don't think, it was generally understood that the remits of taste were there. And I don't think we ever had any row about whether something was ok, I mean again you did have the thing that, the marketing principle you wanted to have a range of products that matched you audience, you have the small cheaper things, perhaps with a higher mark up, but that's, if somebody just wants a little something to take away, you've got that available as well as the more expensive things, the ties, or the tiles, or things like that, so I think there was enough reasonable class Morris stuff around to make it worthwhile. So I don't see that we ever had conflict.
LS:	but from what you've said the ideas came from the site, and the principles of Morris and the Society, and so it would be expected that it was all ok
DME:	yes
LS:	were there any restrictions from the endowments you had – did that have any restrictions on what you can do?
DME:	the only restriction set on it from a stand point of the residual estate, was that the fabric should be looked after based on a standard set by the Society for the Preservation of Ancient Buildings, those standards do seem to vary a little bit, because of the way that they've actually done things, but you were always trying to do things in a sustainable way. And for example with the brick barn when that was converted, well when you are doing any conversion of things into shops and things like that, is you're trying to produce something that is always reversible so that the good original fabric is kept and that, and it therefore costs more because you are going in for conservation standards as far as is always possible,

LS:	but in terms of the sales in the shop
DME:	no. None of the endowments ever saw that and after all, what I forgot to say, was the way in which that side works is that Lucerna Ltd is given a license to operate at Kelmscott, for so many months and days and so forth, it doesn't have an automatic right to be there, it's only there on sufferance, and it pays for that licence, and there is a fixed fee agreed in advance and at one time Lucerna didn't employ staff, the staff were employed by the Society and then charged for at a service fee to Lucerna, so in fact, Lucerna very rarely made any profits whatsoever, because it was paying a licence and it was paying a service fee.
LS:	but SAL would make a bit of a profit because those would be more expensive than the outgoings.
DME:	generally speaking yes, and so it both kept control, but then also meant that the commercial firm paid for occupying and using these premises to generate some profit, as a matter of principle, using the words carefully, should ensure that you do make some profits and occasionally make some loss and I think Lucerna Ltd has declared as a company some loss, just to make it a real trading company, not some sort of tax fiddle.
LS:	are there any restrictions stemming from that legal status, like not just having it as a puppet organisations? Not operating at a loss continuously.
DME:	not that I am too aware of. That's certainly the way that it worked and it worked rather well.
LS:	you mentioned that you had external guidance on setting up the trading company from your auditors. Did you get any external advice on establishing the sales and retail side as well?
DME:	It goes in two ways, first of all there is a dangerous thing with the Society, which is also very helpful, that it does have lots of people, who have a lot of expertise at differing levels, I mean there was one chap who was absolutely brilliant with this, he's called Marin Williams, who'd been chief executive of the Musicians Benevolent Fund, and he had a lot of practical experience that he was willing to share and he was a great help. There are other things like, one of the people who was appointed who was under Helen Webb, who was the administrator I had most to do with, and I forget her name, but she'd been a National Trust buyer, and so she came in with that experience and the contacts with shops and the buyers and things like that, so we were getting advice, and looking at that, but there wasn't the sort of great thing of pulling in lots of extra consultants and things like that because, and it wasn't arrogance, I mean it was partly shortage of money, it was also partly that there was a vision for Kelmscott and the Society, which ok is written down to a certain extent, probably even more so these days, but at the time was inherent, we used to talk about it and we felt as we inched forward that we vaguely knew where we wanted to go and quite often it was a case of suck it and see. So you know it was decided that we will try a line and see how that goes, you know, Liberty Ties, things like that, started selling quite well, and what people want there and would like to see there, and what they want to buy,
LS:	did you have any political things about which companies you would buy from?

DME:	<p>we did, there was a big discussion in council at one stage about this, but then, basically the legal advice is that whether you like it or not as a charity you have to go and get best value, it started off with the portfolio of shares, are there certain companies we would not go to, do we go entirely for ethical and the answer is, once you actually look at it, ethical is very muddy, do you go to buy wood from homebase, which doesn't have a sustainable woodland policy, but on the other hand had peat free grow bags, or, and archaeologists are interested in peat as well as, or do you go to B&Q which is the reverse? I mean, probably not right, but its that sort of thing, that some oil companies are good in one thing, but bad in others, and vice versa, so we wrestled with the ethics problem, quite genuinely, but in the end decided that it was so murky, I mean I think we did say we'd prefer not to be in arms, or things like that and that was allowable within how you set up your portfolio as a charity, whether Lucerna Ltd, as an independent trading company, should the problems have come up, could have done it, but then again, the trouble is, if its shareholders is ex-officio the president, and its directors are members of council, then again you have problems of how come, you can never disengage the charity from the trading company, and I don't think it became a problem at all, if anything it was, there is something at the back of my mind over where they sourced particular mugs from, but if it was done, it was done very quietly. So its not that it wasn't a concern, but I don't think it actually came up. And it was always the thing with William Morris, when we were worrying about environmental sustainability, is the famous case of when he had the carpet works at Merton and they were dying things and the dye used to be just flushed straight out into the streams. So William Morris had his own ideas and expressed them in books and pamphlets, but he was a person of his own time and so things like that, which we would say, gosh how awful, and I don't think they were even vegetable dyes.</p>
LS:	Do you try to follow Morris' ideas about business?
DME:	<p>it came into the thoughts, but then, the sorts of things that that would cover would be sort of furniture, wallpaper, bookbinding, which are luxury products these days and therefore you would go to specialists for them, and they cost and are beyond the shop and what most people seem to want.</p>
LS:	<p>I heard one theory that he actually changed his products with what he thought the market would want, or benefit from, so what he produced did change over the years, and that if he was around now, he would probably be making the oven mitts, place settings, etc.</p>
DME:	<p>I think so, you see most of the people that actually bought his stuff were middle class, and they were the only ones who could afford it, and the people he moved with, so what he was actually trying to do was put dignity back into labour, and into handcrafted..., I think he was against factory systems, though he did use them himself, in a limited way, and he was... ruthless is the wrong word, he was a very dedicated businessman, I mean he was, after all, you look at the pattern of his life, he starts off privileged background, on the verges of Epping Forest and the rest of it, does very well for quite a while, the Red House and things like that, living on the shares and the income from the copper mines, down in Devon, the vein is worked out, the money starts drying up and he has to go out to work and that's when there's the move to Red Lion Square and Morris and Co. stops being quite so much, its a bit like the Society really, having to run the place more and more commercially, in other words in order to live the life he would like to live, and do the things he wants to do, he has to become, and he is a very effective businessman, and very driven.</p>

	<p>And so I think if he'd been alive today, he'd of still been I'm sure, he had a strong social conscience, and really disliked a lot of what his society was doing, and stood for, but he would have been earning the money to change it, I mean, he wouldn't have been a Thatcherite, I don't know even if he'd have been a Blairite.</p> <p>So I think, yup, whether he would have approved over what we are doing at Kelmscott, I think probably in that we're keeping it, we are trying various principles, and it still is recognisably, I mean the trouble always with Kelmscott is trying to drop too much into the itsy bitsy Morris, you know Morris is very easy to break away from the grit, the grind, the inspiration, and the fact that he had a terrible temper, and would lose it, and difficult marriage, but did an enormous number of different things and the way that he picked things and took tapestries apart and had a loom in the bedroom to, etc. you know all that, an amazing person, I mean impossible person, but amazing and I think he would have been in there, quite happily pushing things, and running trading companies, quite sure about that. He probably couldn't have stood the amount of committee work the Society goes in for.</p>
LS:	in the documents of purpose when Lucerna was established, are there any constraints or principles that were laid down to govern its work?
DME:	It was drawn as widely as possible in terms of activities, it was to sell books and to earn money and to trade, in whatever the current definition of the word trade is, and I think the main constraints was where the money would go. I don't quite remember, I would have to go back to the documents to see. One worry we had when setting it up was the tail wagging the dog, because the tail it was felt by some people does wag the dog, and this is the V&A and the BM and the Tate, actually not so much the Tate, but it was the V&A and the BM people were the ones who, the professionals felt that this was etc etc.
LS:	have there been any major changes since you established it?
DME:	I think its just got bigger and expanded. Children have been introduced and they're getting more and more... The visitor spend was interesting, there was a very high spend on shop and food compared to admission fee, as a multiplier, we were beating the National Trust hollow, I mean it was at one stage an average spend of £16 per visitor, so that was admission which was perhaps £5, but then they were going on to spend, with food, drink, I mean the other advantage being, I mean there was a pub in the village, but having got there, you know food is on hand, you've got a fairly captive audience, and they can go out an wander in the groups and its just a nice relaxing place to be. So it did have a very high visitor spend which helped enormously.
LS:	thinking specifically about the online retail, would you have any advice for any other heritage organisations that were thinking about embarking on a similar project?
DME:	Its always worthwhile sitting back and thinking where the trends are going. I'm quite interested in self-guided ipod type things, and I would certainly be looking in that field, but then selling those, but whether you could get, I don't know. The virtual reality thing that you could download and take away at a price would be something that I would be interested in. But I suppose the advice is, in a way, if you cant sell William Morris in our current culture, then you're a dummy.

	<p>Because people are so open, I don't know how Red House are doing these days, and there's all the problems with Walthamstow which is a pity. It helps to actually have an iconic subject and if you haven't, I think its probably been quite good with Kelmscott partly because we try to relate the subject matter very closely to the property you're visiting, and not ending up with just the same old country house junk. There is, I do feel the National Trust, I know it is trying to diversify, but I still feel you think, National Trust, National Trust shop and I must admit these days I think personalising it, so it actually means [gestures] to the people involved, the on-line idea, I suppose part of that again is if you have a membership, that helps, I don't think the sales have been too great for fellows, but there are some. It is so much the way people are buying and I think somehow, if you've visited the property and have come away with nice memories, then you're more likely to go back and say, or someone will say that's a nice mug and you tell them all about it and then think, I'll get them one for a Christmas present, or something like that. And its easy to do then that's fine, but [um] you then have to have a certain volume of sales fixed up to then do credit card or paypal or methods of paying, you need to have an organisation, Kelmscott's been helped because of the size of the Society and its got its own accountants and back up, ok you've then got to do the local things but nonetheless you are part of a bigger organisation so you can easily draw down that experience, and that doesn't then directly cost you, whereas you know, if you were a smaller organisation, every time you needed you'd have to get that, so in some ways its not as easy, I mean it does help to be part of a bigger network, so I suppose the advice then, if you're a small organisation doing it, is try and, because presumably there must be some networks like this around that you could join, if not there is a niche for someone to set up that network, to say we can do it for you, or show you how to do it and market it.</p>
LS:	<p>It just made me think, the site is available in English and Japanese, is that because of this Japanese gentleman?</p>
DME:	<p>There is a strong Japanese interest in William Morris and I guess, Japanese were at one point the most significant tourist market, and they would be coming to Oxford and then coming on to Kelmscott on coach tours, because Kelmscott and William Morris was something that they wanted, in the design sense. American's have dropped down, I don't know if they have come back a bit. The Japanese are also very high spenders, they were the people who actually kicked up the spend per head, the average of it, because they would come in and spend several hundred pounds, not huge numbers but enough to actually kick it up.</p> <p>Kelmscott is not really a viable entity, I don't think. Because it's too small, you know, it hasn't got the National Trust formula in terms of capital to back it. It hasn't got a landed estate to back it. It is the right size that it would actually make really a very good family home, I mean for somebody who is pretty wealthy, with the grounds and the general background there, so its, a nice small estate and could become that.</p> <p>But to have it open and to show the periods, because stuff has just been dumped and left there, so you've got the original Tudor Stewart furniture, some has been left behind, you've got stuff that Rossetti left behind and then there's stuff the Morriss left behind, and then there's stuff which has been brought in and has come back, and been recovered because a lot of stuff was dispersed round and it still is coming in – there's a lovely case where William Morris's coat, which he'd given to his gardener, a caped thing, I mean ready made, but from a well known maker in Regents Street, suddenly arrived back and now hangs behind the door, because the gardener's grand-daughter said she thought we ought to have this back and things like that,</p>

so that's why I think its quite important that it doesn't go back to being just another house, and it is important that it is kept open, because I think, you know, depending on how significant you think William Morris is, its one of the few places you can go and get a William Morris experience in the round, and get a sense of some of the things that inspired him, and why it inspired him, and go back and live his life a little bit, even to the extent that we planted these standard bush roses, what's the book when he goes back into the past? Socialistic London and the old house by the Thames, I've forgotten, at any rate, terrible I haven't read it for ages, and it has a very famous wood cut of the front of Kelmscott, and the pathway up to the front door, with these standard roses, and they'd all gone, and they're now back, so you can actually stand there with the wood block and the years roll back and you can actually get that, so you've got that and all the personal idiosyncratic touches, so he would recognise it very much. But so financially at that basis, it really still isn't viable, unless, I don't know, you'd have to generate an awful lot of income from sales to actually really, to be totally secure, so it has to be looked after and that's why I think it has to fit into the Society's [gestures] and I think the Society is now comfortable about why are we doing this, and I think there are still people who will say we shouldn't be doing this, in the same way they said we shouldn't have a museum, and they'll always be like that, but I think it now justifies why we've got it in a good way, it keeps us, it involves the Society in the real world, and that whole aspect of practical sustainability, heritage, what its costing, how you do it and taking all those, you know, difficult multiple choice decisions, and bouncing things off, it means that the fellowship has that wider experience to draw on, and I'm sure gives the Society a bit more credibility.

Interview ends with Laura thanking Dai Morgan Evans for his time and support.

Appendix 4: Sam Doty, Interview Transcript

Interviewee: Sam Doty, Former Acting Head of Education at National Army Museum

Location: Sam Doty's Home, Surbiton

Date: 29 July 2008

Interviewer: Laura Samuels

Recorded, then transcribed.

Sam Doty was the former Acting Head of the Education Department at the National Army Museum, London. While at NAM she was responsible for a number of new and innovative education and learning initiatives, including being the champion and internal project manager for the Kids' Zone.

The interview began with a brief introduction by LS outlining the purpose of her research and her objectives for the interview. LS discussed the semi-public nature of the Report and talked about confidentiality. LS also discussed the desire to record the interview and SD permitted the recording.

LS:	My questions for my research are, does this commercial activity contribute to the fulfilment of the mission of NAM?
SD:	I'm just trying to think what their new mission is.
LS:	well they've got this statement on their website...
SD:	to communicate the story of the army
LS:	yes
SD:	its interesting because I don't think the Kids' Zone (KZ) was set up to be a commercial enterprise. It has commercial off-shoots. The KZ itself I think supports the Museum's mission. The commercial enterprises that it hosts, yes I think they do to an extent in that they bring people in, but its almost become a destination in its own right, as opposed to being a destination within a broader museum context. But they do actually, in the commercial enterprises, in the children's parties, some do go to the Museum's galleries, and they do look around, so yes it does.
LS:	and the entertainer is themed
SD:	yes, its military.
LS:	is there any guidance on what that entertainer does?
SD:	I am not sure because the commercial enterprise is handled entirely by the commercial department, as opposed to the learning.
LS:	I've got more specific questions, but that's my main agenda, with two sub-questions, what should be considered when selecting an appropriate activity to ensure it supports the mission?

SD:	I think you've really got to understand what the mission is and really really really understand it. And sometimes commercial activity can actively support it, sometimes it can passively support it and sometimes commercial activity, I think, can work against the mission. So yes, choosing something that not only supports the word of the mission, but the spirit of the mission, and the ethos that is behind it. So its not just about bums on seats, it's a more full support across the board is what you need to look for.
LS:	ok. And the third general question that I am looking at is what management processes and policies are required to ensure that it continues to support the mission?
SD:	I think that the management need to be careful that the generation of income as an enterprise in its own right doesn't obscure why you're undertaking the work in the first place. And the trouble is, when the pounds start to flow in, people's eyes can be diverted to the product, to the money, not what is generating it. And so therefore in terms of management, there needs to be a constant review to see that its still fit for purpose. And if its not fit for purpose, look at the facts coldly, I know that everyone needs to generate income, but are there ways of generating income that are more suited to the mission, you know, as things develop. Its when commercial enterprise hits public access, because if you're denying access to some people because of a commercial event, how does that accord with mission and should people who are paying get more privileged access than people who are not paying, I think there's an ethical element to all of it.
LS:	particularly because NAM is a free museum?
SD:	yes, its always been a free museum, there's never been any history of charging, so I think it, although people who use the KZ commercially are an audience base, I don't know that their rights should be foregrounded over general visitors simply because they are paying visitors. But I know its tricky because, for instance if there is a popular time to use it, a commercial visitor will want to use it at the same time as a non-commercial visitor, so how do you manage that situation?
LS:	School holidays, weekends...
SD:	prime time for kids parties but also prime time for general visitors as well, so there's got to be a balance.
LS:	has that balance been met?
SD:	I don't think so, I think things got better, it was initially that people could book birthday parties at any time that they chose, and I think that was wrong because it left our visiting public unsure of when the gallery was open and when it wasn't. So then it was turned into more regularised hours, advertised on the website, so that people would know in advance when it was open and when it was shut, and I think very often if you can let people know why its closed for a commercial booking, the commercial booking is what's enabling them to come and visit free, it helps, but the front of house staff have to put up with an awful lot of abuse when visitors don't get what they want. I don't know if you've heard about the abuse? Awful, being sworn at, almost coming to physical abuse, because people couldn't get into the KZ because it was busy or it was closed for a birthday party. People storming out, serving soldiers who had brought their kids along couldn't get in and said, "I'll never come here again".
LS:	there's an element of visitor management in that.

SD:	yeah, but there's also meeting visitor expectations, that when you advertise a gallery it will actually be open and accessible, at the times you advertise it will be.
LS:	is there any policy document that says when its going to be open and when it can be used for birthday parties?
SD:	Well I thought it was part of the integral agreements, but apparently nothing can be found on paper, and its very much the case that the economic, that the money generation comes first, from what I understand, though that would probably be argued against.
LS:	Was there a document originally?
SD:	I think it was part of our business plan. I'm sure it was part of our business plan, but its quite a long time ago now.
LS:	so you did a business plan just for the KZ?
SD:	yes, we had to put a business case for it, and birthday parties were always going to be part of the running of the KZ, but at a time that they didn't conflict with popular use. But because its not the Learning and Access team that manages the KZ, our voice is not as strong as the voice of pound shilling and pence. So I think that's another point of economic sustainability, which department is generating it and how is the success of that department judged? Because if the success of the commercial department is judged on the bottom line, you know, how much money they generate, then they are going to stimulate growth and raise income in a way that best suits their targets.
LS:	which is when this whole question of mission comes in.
SD:	an organisation will have an overriding mission, but each department within that organisation has its own mission and sometimes those are at odds, and whose takes priority?
LS:	but arguably in an ideal situation you would all be working towards the same goals?
SD:	yes. but how people achieve those goals are different. If you sell a birthday party to a wealthy Chelsea family, that's 20 wealthy families who have come into contact with the Museum, if you leave it open to the public that's 20 not wealthy families who have come into contact with the Museum. The wealthy families produce higher spend in the shop, higher spend in the café, higher spend corporate, which is horrible.
LS:	Does NAM have a specific mission statement beyond what is said on the website?
SD:	As far as I was aware its about communicating the life of the Army to a modern population. They did shorten it to "explaining our Army" after the Wolff Olins' review, so the drive was always about changing the presentation so the history and traditions of the Army were comprehensible to a society who didn't know anything about them. So that's what's meant to be behind all the galleries – explaining in a way that is understandable and interesting through objects, but also through stories.
LS:	does it have any other specific things, like for example a lot of people accuse NAM of things like recruitment?

SD:	absolutely no recruitment, because it's the museum of the army, its not the army museum. I've run across this with teachers who assume it's a soft sell recruiting front, the Army has absolutely no say in editorially how the Museum goes about its business.
LS:	as opposed to specifically what the museum has been tasked with.
SD:	yes. the museum doesn't receive a mission from the Army in any way. Things like the Helmand Exhibition, the MoD was against it, they actively did not want it to happen. But now its happened and its successful, the MoD are very pleased with it, and are all over it. So yes the museum is trying to conduct itself in a way that a 21 st century museum needs to, in appealing to audiences across the board, I think, like a lot of museums though, before we get to people who don't come to museums, there's an awful lot more we can do to attract people who might come to museums and the KZ is part of that. Its attracting people who wouldn't have considered a museum a first choice outing, but hopefully once they are in the door for that, you can attract them to other offerings. And I've seen that work, you know, when the KZ is full, people do go and look at the galleries, and they come back then to look at the galleries and do the KZ second. So its worked in converting those audiences.
LS: [20:33]	its dramatically changed, from what I understand, the demographic of the visitor in that they are now much younger.
SD:	yeah, in a way which we hadn't anticipated. Doing family events from 2000, we gradually changed the demographic to a more family based audience, but within that the KZ has attracted more of the very youngest of children, which again was something we really hadn't anticipated. We kind of built it with the preliterate audience in mind, mainly 5 and 6 year olds, but it seems the predominant number of people who visit, or the groups who visit are the pre-school audiences, so if the museum is going to continue to attract older audiences, its going to need to look at appropriate provision there.
LS:	I've also been told that it dramatically increased the number of visitors?
SD:	yes, when it first opened. I don't know how it is doing now. There were quite a few initiatives that happened at the same time, but I think anecdotally, the number of people coming in fro the KZ has changed the museum's attendance figures.
LS:	How did the KZ project come about?
SD:	it came about really because, through doing public events we recognised that with a lot of families, they were coming for the event, because it was a special offering, but they weren't coming for the galleries, that they galleries weren't really appropriate for them and their needs. So it got us thinking, 1. that they galleries needed improving, but that was a long term option, so as a short term space filler, something that we could do quite quickly, having a children's gallery would encourage audiences who already had an interest in coming to the Museum, but weren't having their needs fulfilled, other than at special events, so I was one of the people that argued that having a specific children's gallery would be great. We didn't have a long enough lead in to make it anything like an interactives gallery, like at Hendon, and places like that, because the development of specific scientific interactives times some time, like the Science Museum has in its Launch-pad exhibition. We had a turn around of about 4 months. 4 or 5 months.

	<p>But also from looking at the kids, it struck me that what would bring the kids back was their own imagination, and if we could provide a space that engaged them imaginatively, then they would come back again and again and again. And it was to try and encourage that repeat visitation, not the one-off visitation, but repeat visitation, that was behind it, because we knew the families were out there, and they would come if there was something that was offered.</p>
LS:	<p>What were the objectives, apart from attracting different audiences?</p>
SD:	<p>Young people aren't regarded by a lot of institutions as a valuable visitor base, and most museums, you know, unless you can read, its just stuff to look at. And that just doesn't engage kid for long enough. The objectives were to explain in a simple way, a little bit about what the army was, that there's more to being a soldier than being a fighter. It was to encourage repeat visits, from a family audience, and it was to provide a gentle introduction to museum visiting that could then be translated into more serious visiting. To create a new pattern of museum visitation in families, where it might not exist before.</p>
LS:	<p>you mentioned before that you had to put a business case together to support it, did that have any objectives, like for example did it need to wash its face?</p>
SD:	<p>No, it was always intended to be a free gallery, because all the rest of the galleries are free and so why should you put a tax on young children, essentially. So yes it was always intended to do that, that's why things were designed for adult supervision, so its not a supervised space, in the same way that a playground would be a supervised space. The kids always remain under their parents' care. But in terms of the business it was looking at whether we could justify the space for this audience, basically, and as it turned out it the most densely used gallery of any of the galleries, even though it's the smallest. So looking at it in that ratio, it would make sense to make it bigger, with space appropriate for different age groups. But there was a business case in terms of where it was located. Putting it next to the café and shop was done purposefully, so that the comfort of parents was taken in mind, because if the kids are engaged in what they are doing, why shouldn't the parents sit down and have a cup of coffee or something to eat. Because these are valid visitor experiences in their own right. And you know experience has proved that the kids will stay as long as they can, and you've got to keep the parents engaged while they are there.</p>
LS:	<p>and this idea of having birthday parties,</p>
SD:	<p>now the birthday parties were a way of raising revenue from the space, so they were always intended to be part of its practical running. Initially I had considered that they should be offered at time when the gallery was otherwise unoccupied, we felt that there would be natural low spots in the days, so it was a way of using the space to its maximum potential, booking birthday parties in there would be great, it hasn't quite worked out like that, partly because of the demand for birthday parties now, the demand in some ways at set periods exceeds the availability of the space, and so there are different ways of tackling it, we talked about putting birthday parties together in lumps, so it was closed for a week for birthday parties and open the rest of the time, but then the commercial department didn't feel that was servicing those customers very well. And it was actually Steven Bashford from PRC who quite clearly pointed out that this was a space that had high maintenance needs and so if it wasn't going to be a continual drain on museum resources, the revenue from birthday parties a proportion of it should be put back into the replacement and renewal of the gallery.</p>

	So that, even though it wasn't expected to cover its costs completely, it would help towards its maintenance. As it turned out we've had to employ specialist staff to work in there, but that's just recruiting one type of staff as opposed to another type of staff, a specialist KZ operator as opposed to a general museum attendant.
LS:	are they more expensive than a general museum attendant?
SD:	it depends where you get them from, but no, I think they come in at about the same, what we've tended to do in the past is employ teachers through an agency. We've been very lucky in attracting a lady who is a primary school teacher who lives very close to the museum who came in 5 days a week and so the space became hers and she energetically pursued developing activities in it, because she had some ownership of it. And that's the difficulty unless you have dedicated staff, who are going to take it on board and run with it, it just becomes any kind of supervisory and that didn't work so well.
LS:	and do you think the cost of operating it, I should imagine its more intense to clean than a normal gallery and you need these special staff, I don't know if you need more staff than you would in other galleries,
SD:	no, because the visitor services cover breaks, so its still only one constant staff member.
LS:	do those costs outweigh how much you bring in?
SD:	I don't know, because I don't know how much the parties generate. I know what they cost, but you'd have to look at the website for up to date costs. They seem extraordinarily expensive, some of them. They have now taken over another space in the museum. The problem when it was all booked when people wanted it, was it ran across the public timeslots, and even now there's a set-up and clear-up time, so rather than just being closed specifically for the hour, its more like an hour and a half. There was also problems with people who had paid for the space and the visitor wasn't on board with what the Museum's mission was, because they had paid for the space as a commercial venue and therefore made demands like 'I don't care if you say I cant have champagne in here' and 'I don't care if you say my kids cannot run around with chocolate cake'. Because the people aren't on board with the museums mission, which is interesting. Because otherwise, most people who come to museums know why they are coming to a museum and they are choosing a museum specifically as a heritage outing, but when you start to offer commercial things, you attract people who are coming for the commercial offering, as opposed to the heritage offering or even in spite of the heritage offering.
LS:	are there any restrictions on how the KZ can operate and how it can earn money, does NAM have any policies on this?
SD:	well obviously things that would damage it, no, and anything that compromised the collection, no, but like a lot of places, they are open to suggestions and I think they would weigh it up on a case by case basis. If someone came with an unusual request. There was some suggestion that teenagers might like to use it, but it was felt the wear and tear would be too high.
LS:	is it still being used for mother and toddler groups, things like that?

SD:	that really needed to have somebody who had time to commit to programming and running it, and because it never had its own dedicated staff, that specifically didn't happen. There is a commercial group called Monkey Music, but we didn't feel it was fair, again, to use the KZ as a venue for a commercial activity, because 1. The museum wasn't profiting, and 2. It didn't require it to be in the KZ. We had hoped to attract people to specific time slots because we weren't sure what the patterns of visitation would be like, but it proved not to be necessary, we didn't need to offer anything other than access. So if we didn't need to do it...
LS:	so while there may be no policies written down, there is a review process
SD:	its hard to say because, so much is controlled by the commercial department, and we in the learning department are at odds with them often on what they consider to be appropriate usage over what we consider to be appropriate usage. So I think again, here you're running into the problem of money versus mission. The museum is having to generate more of its own income, it hasn't always, it's a fairly new...
LS:	so in the past its got this grant from the MoD,
SD:	yes in the past its got this grant with no strings attached, but now that money is coming under review more and more and the army is starting to tighten up all of its funding reviews. So service museums have had its budgets cut, and the MoD want to see that the museum is trying to raise its own income, rather than just sitting back and doing nothing.
LS:	and in terms of the kids parties are they run entirely in house bar the external entertainers?
SD:	they are managed by the commercial department, in collaboration with the café. So the commercial department have three different packages of varying complexity and cost. So the café provide the food, I think the birthday party people might be able to bring their own cake. But initially I think they could do their own catering, but now I think its tied in so you have to use museum catering, which of course drives more money into the internal economy, but is less flexible as a service to the public. But no I don't think the café handle the money directly, I think they are given their cut through the commercial department. And the entertainers all have to have CRB clearance, and things like that.
LS:	and these sort of policies like they have to have CRB clearance, are these just museum-wide policies?
SD:	yes
LS:	so there is no specific management plan to govern the KZ
SD:	well there is and there isn't. be aligned to the requirements of Health and Safety, we wrote a plan to look at its maintenance supervision, so the day to day running is now under the visitor services department, but the birthday parties come under the remit of the commercial department, so there's conflict there. But the content is managed by the learning department.
LS:	but there is a manual of operation
SD:	but it doesn't cover birthday parties – its just a health and safety manual.
LS:	and there are no other documents that pertain to the KZ specifically.

SD:	no
LS:	we talked about how some of the profits are supposed to go back into a fund to support the KZ, what about the rest of the money?
SD:	well the money that's raised through KZ can be used in different ways than the Grant-in-Aid. Grant-in-Aid has to have a very clear fixed purpose and spending. So I think what the museum does now is use the Grant-in-Aid for maintenance and use the profits for other purposes...
LS:	but it all goes on taking care of the museum in general?
SD:	oh yeah.
LS:	Do you think there have been any additional costs to NAM in regard to doing these birthday parties?
SD:	no, I think the benefits have outweighed any costs, because in terms of opening it to the public, as opposed to opening it to a private group, the costs are the same. There is a bit more damage, there is a bit more dirt, but the additional profit is more than enough to cover it?
LS:	do you think that there are any other opportunities that they have brought, aside from, as you've mentioned, bringing in money, engaging children and raising awareness to potential new funders?
SD:	I think, when it works properly, feel their needs are being addressed as a family unit – something for every age group.
LS:	have there been any major changes since it opened?
SD:	no, not that I am aware of. It did have a built in shelf-life of about 3 years, so after the first year it was decided not to revamp, just to refresh and after the second year it was just deep-cleaned, because we took some visitor surveys that suggested that visitor satisfaction was still high and the only things that needed to be amended were keeping the numbers of toys up, but people were happy with what it was basically, and children also like coming back to places they know and recognise.
LS:	if you were to do it again, would you do anything differently?
SD:	yes, think about who the audiences are and what space you can sell and build in a birthday party space. So rather than impacting on the general visitor usage of a space by making it serve a dual function, actually design a space specifically for birthday parties, and adventurous stuff, so right from the start it's a commercial space as opposed to a compromised public space. But if you had an adventure space that you had to pay to get into from the start and catering space attached to it, again so you don't need to compromise the functioning of the museum, but I think you run the risk of becoming a venue with a museum attached. But the KZ has done that, it's a KZ with a museum attached.

	<p>The commercial audiences, if they are getting those messages then they are getting them subliminally that's not why they are coming to the museum, they're coming because it serves a commercial need. If you can educate them and inspire them at the same time then that's great, but a lot of them don't care, I've had people walk away from the museum if they can't get into the KZ. If they have to wait 20 minutes to get into the KZ they won't wait, they don't regard it as a negotiable. They are there for the KZ and that's it and they won't be converted. They don't know what's in the museum, they just say there's nothing in a museum of interest to me. They think there is nothing in the museum of interest to them. A lot of people from other museums came to visit it. Sometimes they introduced themselves and I took them round. I think more and more museums are realising that they need to cater to that audience.</p>
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Interview ends with Laura thanking Sam Doty for her time and support.